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12 July 1984

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OIL PRODUCTION STATISTICS SHOW STEADY INCREASE

Buenos Aires LA PRENSA in Spanish 18 Jun 84 Sec 2 p 3

[Text] The oil production for the month of May (through administration and contracts) increased 1.2 percent over the April figure. The cumulative total for the period from January through May of this year exceeds the extraction for the same period in 1983 by 1.14 percent, according to statistical data provided by Government Oil Deposits [YPF].

Crude Production

Last month, the total crude extraction amounted to 2,305,781 cubic meters (1,597,521 cubic meters, plus 708,260 cubic meters through contract, a 1.1 percent reduction in comparison with April, when the latter reached 715,882 cubic meters).

In comparison with May 1983, when a total of 2,328,349 cubic meters were extracted, last month's production registered a decline of 0.97 percent, a drop attributable to a group of factors, including atypical weather conditions occurring in the southern part of the country, particularly in Comodoro Rivadavia and the Southern Deposit, with unusual snowfall for this season of the year.

In addition, the strike among private oil companies which took place on 30 and 31 May affected the regular work, as did the temporary stoppage of production from the Palmar Largo well in Formosa Province, owing to an obstruction of the surging pipework in the well with sediments from the productive formation, which have required work demanding time and the use of more employees.

Completed Wells

The number of wells completed during May totaled 70 (44 through administration, five more than in April (+12.8 percent) and 26 through contracts, 12 fewer than in April (-31.6 percent).

Industrialization

This May, the YPF refineries processed 1,629,231 cubic meters of crude, in contrast to 1,416,193 cubic meters in April; representing an increase of 213,038 cubic meters (15 percent more).

In comparison with May 1983, there was also an increase of 114,609 cubic meters (7.6 percent more).

During the first 5 months of this year, the YPF refineries processed 7,858,439 cubic meters, in comparison with 7,798,809 cubic meters refined during the same interval in 1983, representing a 59,630 cubic meter increase (0.8 percent more)

2909

CSO: 3348/465

BRIEFS

OIL PIPELINE INAUGURATED--The president of Government Oil Deposits [YPF], Dr Hector Fiorioli, opened the oil pipeline connecting the El Condor and Cerro Redondo deposits 95 kilometers southwest of the town of Rio Gallegos with the tank yard and shipping port at Puerto Loyola, in Santa Cruz Province. During the ceremony, Dr Fiorioli underscored the significance of the pipeline development in the section, remarking, "because it will allow for a savings of \$600,000 per month that was being paid to the Republic of Chile for tolls for the removal of the Argentine oil through Puerto Gregorio, in the trans-Andean territory." The head of YPF placed particular stress on the fact that the opening of the oil pipeline bears a direct relationship to the national interest and economic development, "because from now on Argentina will be able to manage with complete sovereignty and independence the removal of the oil produced in the southern part of Argentine continental territory, with the resultant economic benefits." At the same time Dr Fiorioli called attention to the importance that the savings of \$600,000 per month assumes for increasing foreign exchange reserves. Beforehand, Dr Fiorioli had officiated at the ceremony at which the new administrator of the Southern Deposit, engineer Matias Carrizo, took office. In attendance were the board of directors member, Mr Luis Gonzalez; the general manager for operations, engineer Nells Leon; and the chief of institutional relations, Mr Miguel A. Leguizamon. [Text] [Buenos Aires LA PRENSA in Spanish 18 Jun 84 Sec 2 p 3] 2909

NEW OIL FIELDS--Bahia Blanca--The vice president of YPF, Dr Danilo Biondo, commented: "Within a few days the oil well discovered in the Loma de la Lata fields in Neuquen will begin producing, with an approximate extraction of 1,500 cubic meters per day. Not all the news about YPF's progress is bad or discouraging. In Tierra del Fuego, another well with a sizable output has been discovered, namely, the San Sebastian." Dr Biondo discussed oil policy, also noting the use of gas in automobiles, claiming that "several million dollars has been spent on the project and it is in an advanced stage." [Text] [Buenos Aires LA NACION in Spanish 11 Jun 84 p 13] 2909

DPA COMPILES DATA ON LATIN AMERICAN FOREIGN DEBT

Buenos Aires LA NACION in Spanish 24 Jun 84 sec 3 p 1

[Text] Nineteen Latin American countries with a population of 361.5 million inhabitants have a foreign debt of \$326.5 billion, which means that each inhabitant of the region owes the sum of \$903.

This report, which was compiled by the DPA agency, based on data from the Banco Germanico for South America, adds that these countries have reserves of only \$35.328 billion. The average per capita gross domestic product of these countries is \$1,244.31 (1980 prices) and the average rate of inflation was 88.5 percent at the end of 1983.

Sources at the Cartagena Conference, which was held in Colombia and assembled the region's most indebted countries, added that this year Latin America will have to make principal and interest payments of over \$130 billion.

A breakdown of the foreign debt situation in the 19 Latin American countries follows.

Argentina

Bernardo Grinspun, Argentine minister of economy, has estimated the foreign debt at \$41.15 billion (according to the Banco Germanico for South America: \$43.6 billion). However, sources in the Argentine ministry said that when the foreign debts of the public sector totaling \$29.904 billion and the \$13.9 billion of the private sector are calculated, total indebtedness of \$43.804 billion is derived (this sum rises to \$44.362 billion with the inclusion of \$559 million in interest due). The payments of these sums, the new payment deadlines and the applicable interest rates will be negotiated with the International Monetary Fund beginning with the letter of intent which Argentina sent to this organization.

Payments due this year will total \$13 billion; however, there has been no official statement as to whether this figure covers only the commitments of the public sector, as we assume, or whether it also covers the private sector. These \$13 billion are broken down into \$7.5 billion for principal payments and \$5.5 billion for interest payments.

The course of negotiations on the basis of the letter of intent will depend upon what happens in the next few days, as the picture will not be clarified until the IMF has commented on President Raul Alfonsin's letter. The IMF's technical mission which was in Buenos Aires was not given authority by that organization to make any public statements or comments. However, it is known that some of the objectives set by Argentina in its letter of intent are not clear to these experts, for example, a reduction in the rate of domestic price increases within the framework of greater productive activity, a rise in wage levels, greater exports-imports, tax increases and prevention of astronomical tax evasion (in 1983, over \$4 billion in taxes were evaded). We have no official information about the manner in which the Argentine Government will go about attaining these objectives.

Bolivia

Foreign debt: \$2.8 billion. This country has declared itself unable to make its payments until its economy is sound again, thereby making itself an "insolvent state" as of June 1984, according to the norms of U.S. bankers.

Brazil

Foreign debt: \$92 billion as of 31 December 1983. This debt will total \$100 billion at the end of 1984, according to Antonio Delfim Netto, minister of planning. Status of renegotiations: Brazil is not making principal payments but is only meeting its interest payments. In 1984, interest payments will total about \$11 billion, according to Ernané Galveas, Brazilian minister of finance. These interest payments will be made in part with new credits. Brazil, which in 1984 received a jumbo credit from international banks of \$6.5 billion, is "rejecting collective renegotiation" of the foreign debt with other countries of the region.

Colombia

Foreign debt: \$10.6 billion. This country has clearly given notice that it will not be a party to the establishment of a group of countries delinquent in paying their debts; and its foreign minister, Rodrigo Lloreda Caicedo, emphasized, "None of the countries which agreed to meet in Cartagena is in favor of such a group."

Costa Rica and Cuba

Costa Rica. Foreign debt: \$3.5 billion. Costa Rica has reached an agreement with its creditors, is now making interest payments and will begin to make principal payments in 1987.

Cuba. Foreign debt: \$3.3 billion.

Chile and Ecuador

Chile. Foreign debt: \$18 billion. Gen Augusto Pinochet's government has said that if the international banking community continues to increase interest rates his country could suspend debt payments.

Ecuador. Foreign debt: \$6.9 billion. This country did not make debt payments of \$247 million to foreign governments at the beginning of June, pending the results of renegotiation of its debt.

Mexico

Foreign debt: \$88.6 billion.

Central America

El Salvador. Foreign debt: \$1.8 billion.

Guatemala. Foreign debt: \$1.9 billion.

Honduras. Foreign debt: \$1.6 billion.

Nicaragua. Foreign debt: \$3.2 billion.

Panama. Foreign debt: \$3.2 billion. Panama is in the process of renegotiation to regularize interest payments within a 3-year time frame and then to make principal payments in a 5-year period.

Paraguay and Peru

Paraguay. Foreign debt: \$1.3 billion.

Peru. Foreign debt: \$12 billion.

Dominican Republic and Uruguay

Dominican Republic. Foreign debt: \$2 billion. This country interrupted its negotiations with the IMF after this organization urged the government to double the prices of gasoline as a financial soundness measure. Previously, on the advice of the IMF, the government had eliminated certain subsidies from prime necessity articles, which doubled the prices of some products. This internal economic situation triggered a series of incidents that cost the lives of 50 persons.

Uruguay. Foreign debt: \$4.5 billion.

Venezuela

Public foreign debt: \$27 billion. Private foreign debt: between \$4 billion and \$6 billion (according to the Banco Germanico for South America: \$25.8 billion).

Caracas sources state that Venezuela is paying the service on its debt on a timely basis (the interest) and, at the same, time, is renegotiating new payment deadlines, perhaps until October, November or year's end. The talks are going well and are being handled by Carlos Guillermo Rangel, who is president of FEDECAMARAS [Association of the Chambers of Commerce and Industry], the private sector business group which represents the entire national productive apparatus.

The IMF has made a series of demands on Venezuela, including the removal of price controls and an increase in the rates for basic services. For its part, the government says that it will pay "the very last cent" of its debt but without sacrificing the country's development or its inhabitants' standard of living.

Contrary to what is happening in other countries, Venezuela has the funds to pay its debt. Its revenues from exports of oil (1.7 million barrels of oil production per day) total more than \$15 billion.

COMPARATIVE TABLE

	a) Población (1)	b) Per cápita (2)	c) Inflación (3)	d) Deuda externa (4)	e) Reservas (5)
Argentina	28,5	1694	434	43,6	3,2
Bolivia	8,9	486	421	2,8	0,174
Brasil	128	1458	211	91,2	4,5
Colombia	27,8	917	15,4	10,6	2,4
Costa Rica	2,3	1269	11	4,1	0,476
Cuba	9,9	1061	-	3,3	-
Chile	11,3	1437	23,1	18,0	2,1
Ecuador	8,5	1043	52,5	6,9	0,589
El Salvador	5,2	543	14,7	1,8	0,163
Guatemala	7,2	1090	-	1,9	0,292
Honduras	3,9	582	9,5	1,6	0,126
México	73,8	1904	69,1	88,6	4,9
Nicaragua	2,6	925	35	3,2	0,233
Panamá	2	1809	6	3,3	-
Paraguay	3,4	1090	14	1,3	0,623
Perú	17,4	1104	125	12	2
R. Dominicana	6,3	955	4,5	2	0,210
Uruguay	2,9	1737	51,5	4,5	0,737
Venezuela	14,7	2538	7,4	25,8	12,6
f) 19 países	361,5	1.244,31	88,5	326,5	35,328

g) (1) En millones de habitantes; (2) Corresponde a precios de 1980, en dólares; (3) Índice 1984; (4) En miles de millones de dólares; (5) En miles de millones de dólares.

FUENTE: Banco Germanico para América del Sur y archivo DPA

KEY:

- a) Population b) Per Capita c) Inflation d) Foreign Debt
e) Reserves f) 19 Countries g) (1) In millions of inhabitants;
(2) 1980 prices, in dollars; (3) 1984 Index; (4) In billions of dollars;
(5) In billions of dollars.

Source: Banco Germanico for South America and DPA files.

8143

CSO: 3348/466

FOREIGN DEBT: SOLUTIONS DISCUSSED, PUBLIC SURVEY RESULTS

Politicians, Economists Discuss Solutions

Buenos Aires MERCADO in Spanish 31 May 84 pp 14-17

[Text] After the visit to Buenos Aires by William Rhodes, the chairman of the committee of Argentina's creditor banks, the government was reportedly in a better position to promptly repay the overdue interest for the first quarter of the year, an obligation that it met thanks to the funds contributed by Mexico, Brazil, Venezuela and Colombia with the backing of the United States. There is now talk that Rhodes took with him an Argentine Government proposal for a \$1 billion loan from the banks (part of a larger credit line negotiated by the military government) and for a one point cut in the interest rate agreed to at the time of that transaction. In any event, however, this is just a small part of the overall problem, which is how to pay all of Argentina's foreign debt. According to a survey that MERCADO conducted, Peronist Roberto Lavagna argues that our annual debt repayments must not exceed 15 percent of exports. For his part, the Intransigent Party's Hector Rodriguez proposes a 5-year moratorium that would enable the country to commence expanding its economy and to take certain steps such as nationalizing the banks and foreign trade, reforming the tax system and de-indexing the economy. Aldo Ferrer maintains that debt repayments should take up a certain percentage of export earnings and that the rest should be secured with bonds that would be paid off when conditions improve. Leopoldo Portnoy, the vice president of the Central Bank, is in favor of a 5-year period for paying interest and 7 to 8 years for amortizing the principal. As we can see, there are various prescriptions. Nevertheless, there are other factors conditioning an answer to the foreign debt problem. For example, Argentina's major parties must reach a consensus on the rescheduling mechanism and procedure. In this regard, many observers feel that Isabel Peron's presence in Argentina could unite Peronists on this issue. It was reported that the International Monetary Fund made a veiled suggestion to this effect, which would be unprecedented, as one of its conditions for a successful rescheduling.

The issue of the foreign debt came under discussion again last week when the economy minister was called before Congress once more, this

time before the Chamber of Deputies. As Diego Guelar, who along with Jorge Matzkin was the minister's main questioner, was on his way through the building's corridors to the chamber floor, carrying five bulging folders under his arm, he told MERCADO that one of the Peronist bloc's major concerns was finding out who was behind the Radical government's economic program. "Is it an IMF plan? Is it a national government plan? Or is it a joint plan, part IMF and part Argentine Government?" he asked.

Guelar's stand is based on the fact that, in his own words, the country is being "bombarded" by the mass media with huge numbers of stories that are not at all clear. The Peronist deputy remarked thus: "IMF missions are constantly coming and going, to which we must add the absence of an official explanation regarding a specific economic program. We were promised a plan, but it looks as if we won't know what it is until an agreement is reached with the International Monetary Fund. Therefore, what we are trying to do now is clarify whether the administration has taken a firm stand towards the international financial authorities, whether the parties are on common ground or whether we are simply accepting the Fund's conditions as an economic program."

But in this case the Radicals do have a position. Cesar Jaroslavski, the head of the majority party's bloc in the Chamber of Deputies, told MERCADO that "we can't clarify this part of the debt for Deputy Guelar because the problem is one of confidence. In this regard, we Radicals are confident that we are going to propose and secure the best outcome in these negotiations. So, the very nature of the negotiations is what is currently preventing us from giving a detailed public explanation because, as I said, the issue is subject to the ups and downs of the negotiations themselves, and there are aspects that must remain confidential and that must be brought up at the right time. As far as I'm concerned, I repeat, the issue is one of confidence in the outcome. We have that confidence, and I hope that the Peronists acquire it too."

The Peronist deputies never, in fact, opposed negotiating with the Fund. "We are an integral part of that international organization," noted Guelar. The difference between the two parties is that the Peronists feel that the IMF is just an alternate source of credit and do not accept the IMF's claimed role as an arbiter of domestic economic programs. We categorically reject that role, Guelar underscored.

A consensus between Radicals and Peronists regarding the foreign debt negotiations is, of course, something that is also of concern to the international financial organizations, the IMF in particular. In this regard, the head of the Radical bloc in the lower house assured MERCADO that there is a consensus between the two majority blocs. "I am absolutely certain of that," he said, "and I am also fully confident that this session of the house will illustrate that consensus."

The Peronists, of course, are not that certain that this is completely the case. The opposition bloc tends to say that a dialogue pointing

in that direction has just begun but that the political groundwork of such an agreement is not yet in place. "On the contrary, I would say that we have not yet sat down to discuss the groundwork that could lead to the agreement that we all want," stated a Peronist bloc source.

A consensus would seem closer among a group of Latin American countries, one of which is Argentina, that in recent days signed an agreement to form a common front for debt negotiations. Cesar Jaroslavski said that he was proud of the decision "because it is in keeping with the finest traditions of our country's foreign policy." He went on to say: "So I feel that this is a very positive step that I hope will yield results that are of far-reaching importance throughout the world; in other words, that it will bring up the economic and social situation of the developing countries as one of the conditions for foreign debt negotiations."

There were other major developments, however, on the day that Minister Grinspun was questioned in Congress. Just as the nation's chief financial officer was fielding the questions of lawmakers, the American ambassador to Argentina, Frank Ortiz, entered the chamber through one of its side doors and immediately headed for the Peronist bloc, where he conversed for an hour before listening to the minister's testimony. His action caused no little surprise among Radicals but also among the Peronists themselves. Alberto Melon, a Peronist deputy who was at the meeting, remarked to MERCADO that although general issues were discussed, much of the conversation centered on an analysis of Argentina's foreign debt, "which worries everyone but especially the United States, inasmuch as about 95 percent of the debt consists of loans from private U.S. banks, which are quite nervous right now about what might happen."

The lawmaker also commented that Ortiz underscored his desire that debtors and creditors alike eventually agree to some sort of negotiation that will not harm either party, because, he pointed out, the situation is extremely touchy and is compounded by the swelling of the U.S. budget deficit, which totals some \$200 billion. In the ambassador's opinion, a potential agreement ought to provide for a drop in interest rates and for new loans so that the debtor nations can pledge to meet their obligations. Regarding the recent rise in interest rates in the United States, Alberto Melon noted that the ambassador explained that this is closely related to the \$200 billion deficit, which makes money more expensive, even for the United States. As an example he pointed out that the Ford Corporation was currently paying 16 percent interest rates.

Specific Proposals

With regard to specific proposals for paying back Argentina's foreign debt, Roberto Lavagna, a Peronist economist, prefers to talk about how to manage the debt. In this vein, he argues that there is an external front and an internal front and that they are interrelated. In the first instance, he points out, the goal should be to achieve

a gradual recognition of the diagnosis and the solutions that the debtor countries are proposing, and as for the individual negotiation the aim should be to gradually incorporate the greater flexibility secured in the overall approach.

In the view of the Peronist leader, the debtor nations should get together and make these points:

--The debt of the developing countries is not a temporary "liquidity" problem; it is, rather, a question of "solvency" that can be resolved only to the extent that comprehensive, in-depth measures are taken;

--An individual approach is impossible, at least as far as the debt principal is concerned. On the contrary, there are problems that can be resolved only through a comprehensive approach that glosses over the individual features of the debtors and focuses on the general aspects;

--The debt principals and their rescheduling should be dealt with comprehensively and according to different guidelines;

--Rather than discussing interest rates, total annual payments for each country should be set at no more than 15 percent of total export earnings;

--The annual payment capacity would be a base capacity and could be increased in relation to the benchmark year (1984, for example) on the basis of the following factors: a rise in the volume and price of each country's traditional exports, a rise in the volume and price of each country's nontraditional exports, an expansion of commercial credit lines, of new foreign investment inflows and of the long-term multinational credit lines.

Roberto Lavagna proposes the following methods for dealing with the internal angle:

--Coordinate the internal approach with the gradual improvements on the external front; to this end, it stands to reason to negotiate only overdue payments;

--Have the negotiations include a "most favorable contingency clause" that would remain in effect and incorporate the more flexible arrangements hammered out in the overall framework;

--Launch an "export crusade";

--Create macroeconomic conditions to narrow the exchange rate gap;

--Cut the budget deficit;

--Tie the activities of foreign banks to commercial credit lines;

- Promote the capitalization of loans by coordinating fiscal and other aspects and without discouraging the effects on "denationalization";
- Special treatment for nonremitted profits ploughed back into productive activities, or promotion of profit payouts in exportable goods;
- Encourage long-term export contracts through a stable exchange rate;
- Create mechanisms to incorporate overseas assets into production activities without tax disadvantages.

The Intransigent Party, in turn, proposes paying back the foreign debt after a 5-year grace period during which the country would undertake an earnest, sustained expansion of its industrial sector to put an end to its worsening terms of trade. These steps, among others, would have to be taken during this 5-year lapse, argues Hector Rodriguez, an Intransigent Party economist:

- Nationalization of the banks
- Nationalization of foreign trade
- Agrarian reform
- Alteration of the government's current structure so that it ceases to be just a money-losing operation
- Tax reform
- A resolute struggle against inflation and a de-indexing of the economy

"The first thing that we have to do, of course, is determine what the legitimate debt is and what the illegitimate debt is," Rodriguez points out. "In the case of the latter, our party's position is clear and decisive: we should not discharge the foreign liabilities that were entered into irresponsibly and illegally. We should, however, punish those who committed these illegal acts."

Should we turn to the IMF or not? The Intransigent Party's position in this regard is also clear-cut: "What worries us is not whether we turn to the IMF or not," Rodriguez contends. "What disturbs us and what we cannot accept, in fact, are international political conditions for running our domestic economy because this is a violation of our national sovereignty. If turning to the Fund means having to negotiate guidelines for changes in our domestic economy, then we are opposed. If, on the contrary, it means trying to come up with a suitable arrangement for rescheduling our foreign debt, one that does not mean pursuing recessionary policies, then we are in favor of it."

Other Voices

Aldo Ferrer, the president of the Province of Buenos Aires Bank, is one of the administration officials who have most strongly urged a specific plan for repaying the debt. In this regard he points out that "we have to pay what we can, and what we can't pay should be converted into arrears that will somehow be taken care of or into bonds issued by the debtors and accepted by the bankers." He also contends that "for the good of all the parties involved, we must seek a solution, which could consist of a commitment to pay a certain percentage of export earnings and convert the rest into bonds that could be redeemed when conditions improve." In Ferrer's judgment, this type of approach "is becoming increasingly viable because the financial community is growing more and more convinced that an all-out effort with so much real sacrifice is not possible."

The opinions of a number of international experts are valid too. In recent statements in this capital, Professor Markos Mamalakis of the University of Wisconsin argued that "the problem of indebtedness can be resolved only if the countries in debt take the lead with steps to restore confidence and repatriate the capital that has fled." If we analyze the statistics in the debtor countries, he noted, most of the foreign loans were used to enhance the consumption of the privileged, many of whom transferred some of the foreign debt to the United States and deposited it in savings accounts. "According to the numbers that I have," he added, "the flight of Latin American capital to the United States for deposit is equivalent to about 15 percent of the region's foreign debt." In this respect, he remarked, "I blame the United States because Americans often know that the assistance that their banks grant is not used to boost investment in the target countries but rather returns right away to the United States."

Professor Mamalakis feels that if countries really want to pay off their foreign debts, each needs a very marked improvement in its financial middleman operations. "I have often asked here in this country: What sort of interest rate is there in Argentina? And I have never gotten a specific answer because there is a gray, poorly defined market. This means that there is not just a financial market; there is a market of unilateral transfers, and we do not know exactly who receives the gifts and who pays for them. When such a mix exists," he added, "I think that it is very hard to develop a good long-term economic policy. It is practically impossible. We need symmetrical financial markets, because in asymmetrical markets those who receive the loans do not pay them back. In Argentina's case, the government awarded tons of loans to private firms that have gone under and cannot pay their debts today."

"We really need a system in which part of the bank debt can be transferred to countries running a surplus," he went on to say. "We also need greater liquidity in the sale and purchase of the liabilities of several countries. In other words, Argentina, for example, sells its liabilities,

and someone buys them. It might run a surplus in the future and buy them back."

The interesting part of this international expert's proposal is his suggestion that there be central banks by continents. "In fact," he adds, "Mexico, Brazil, Colombia and Venezuela acted as a sort of central bank when they decided to grant Argentina a loan, through the United States, to meet its immediate debt commitments. But it was not done properly, I feel. Nevertheless, little by little, as these ideas are discussed, I think that we can achieve better solutions than the ones that we have come up with so far. Therefore, we must get to work urgently on this matter," Mamalakis noted.

The Mystery of the Illegitimate Debt

Just one fact is certain: the government has not yet been able to determine the amount of the so-called "illegitimate" debt and, therefore, has not decided how to deal with it as part of the overall program of rescheduling Argentina's foreign liabilities. A debate of sorts is still going on about what deserves to be called the illegitimate debt. Sporadic, sketchy views have been voiced that do nothing to clarify the issue, especially when government circles keep stressing that Argentina will meet only those liabilities that are duly registered

As Leopoldo Portnoy, the vice president of the Central Bank, explained to MERCADO, the only debt that could be regarded as illegitimate "is the debt stemming from the transfer of funds overseas by Argentine residents in violation of exchange or tax regulations." The figures bandied about on this point also vary widely. There are those who claim that Argentine deposits abroad total \$15 billion, somewhat less than half of the country's entire foreign debt. Others, however, including the economy minister, put the figure at \$5 billion, which, they say, is the number to be found in publications of the Adjustment Bank in Basel. "But an illegitimate debt implies that the rules were violated before the credit transaction," Portnoy stresses.

This particular aspect of the country's overseas financial liabilities was broached during the questioning of Minister Grinspun in the Chamber of Deputies on 23 May. Peronist Deputy Matzkin, citing data that he claimed came from the Central Bank, asked what the minister thought of the following numbers: between 1976 and 1982 there were unjustified capital outlays of \$22.231 billion. He then remarked: "The president said that first we would determine what the legitimate debt was and only then reschedule it, but it turns out that fully 49 percent of the foreign exchange was unjustifiedly disbursed." Grinspun replied: "What we have here is a continuing confusion of legitimate debt and capital flight." In any event, the difference between the two debts will, in Grinspun's view, be worked out under Article 862 of the Civil Code, which stipulates that when the creditor and the debtor are represented by one and the same juridical person, the criterion for debt does not exist "and therefore in these cases it will not be recognized and will not be paid back." The minister made this remark on Wednesday

the 16th of this month during the lengthy questioning to which he was subjected in the upper house. He disclosed on that occasion that according to the survey among 8,355 firms with debts in the private sector and 136 public offices, the total foreign debt comes to \$41.15 billion, of which the private sector accounts for \$13.179 billion and the public sector \$27.431 billion.

How this huge debt will be paid off is also a valid question in Portnoy's view. In this regard he proposes a course of action that reportedly already enjoys consensus support among the various agencies of government. It consists of securing a 5-year grace period from creditor banks for debt servicing and then another 7 or 8 years to amortize the principal, in addition to assurances about changes in interest rates and a reduction of administrative costs and commissions. "In any case, these steps will have to go hand in hand with conditions in the world economy, such as suitable prices for exports, terms of trade and trade volume, that are favorable for Argentina, or with the start of a capital movement that makes this problem less important than it is now. But one thing must be made clear: The debt will be paid off primarily with the labor of all Argentines."

Public Opinion Poll

Buenos Aires MERCADO in Spanish 31 May 84 pp 18-20, 22

[Text] The much debated problem of Argentina's foreign debt is no longer an issue just for experts in economics or for discussions in government offices. The man in the street is also voicing his views now, and this prompted MERCADO to conduct a two-question survey: Should the debt be paid off? And can it, in fact, be repaid without a recession? We can draw two interesting conclusions from the responses (more than 60 percent of the respondents said that all of it should be paid back, and 18 percent said that part of it ought to be). The poll was entrusted to the company A&C, which employed a representative sample of 400 persons in the Federal Capital and Greater Buenos Aires, in line with the demographic terms of reference that came out of the 1980 census.

The experts from the poll-taking firm clarify that the question as to whether or not the foreign debt should be paid off is more than just a probe of the population's reasoned responses; it is a look into a people's "sense of duty." Most justified their position by citing their feelings that they belonged to a whole called a nation. We should clarify that the data were collected before American creditor banks raised interest rates. According to the pollsters, most of Argentine society is willing to pay off the debt but doubts that it can be done without a recession. In light of the figures in Table 1, we can infer that the low percentage of negative responses bespeaks a high degree of collective responsibility.

Table 1. Should the Foreign Debt Be Repaid?

<u>Response</u>	<u>Percent</u>
Yes, all of it	61
Yes, part of it	18
No	10
Don't know	11
	<u>100</u>

Take a look at Table 2. In this instance the noes represent 48 percent, but the 35 percent who think that the debt can be paid off without a recession is not an insignificant number. We can gather from this that there are many who are willing to repay the debt, even with a recession, and that more than a few are convinced that that high a price is unnecessary.

Table 2. Can the Debt Be Repaid Without a Recession?

<u>Response</u>	<u>Percent</u>
Yes	35
No	48
Don't know	17
	<u>100</u>

Table 3 shows that there is not much of a gender gap; the differences seem more pronounced between age groups. The strongest support for repaying the debt is among the oldest men, while the older and youngest women support this idea the least. Men seem the most fearful of the

Table 3. In Favor of and Against Repaying the Debt
(Men)

<u>Response</u>	<u>Total</u>	<u>18-23</u>	<u>24-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-65</u>
Yes, all	61	55	57	53	70	76
Yes, part	20	24	24	21	11	14
No	11	12	10	13	11	7
Don't know	8	9	9	13	8	3
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

(Women)

Yes, all	61	62	64	60	57	58
Yes, part	17	6	21	18	27	9
No	9	15	7	13	5	6
Don't know	13	17	8	9	11	27
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

consequences, whereas women (and oddly enough the youngest and oldest among them) seem the most feisty.

Men up to age 44 are more inclined than their elders to repay part of the debt. Some 24 and 21 percent of the younger men feel this way; only 11 and 14 percent of the older age groups take this view. Women between ages 45 and 54 are the strongest supporters of a partial repayment: 27 percent.

The oldest female age group registers the highest percent of "don't knows": 27, as compared to just 3 percent of the men in the same age group.

Table 4. Occupation as a Variable

<u>Response</u>	<u>Businessmen</u>	<u>Professionals</u>	<u>White-Collar</u>
Yes, all	79	65	61
Yes, part	11	29	23
No	7	6	13
Don't know	3	--	3

<u>Response</u>	<u>Skilled Blue-Collar</u>	<u>Unskilled Blue-Collar</u>	<u>Retirees</u>	<u>Self-Employed</u>
Yes, all	65	49	58	43
Yes, part	12	27	6	28
No	10	4	6	20
Don't know	13	20	30	9

A reading of Table 4 clearly shows that those with more prestigious jobs are more willing to repay the debt. The self-employed are the most strongly opposed. They, along with professionals and unskilled blue-collar workers, are also most in favor of paying back only part. The reasons for the common ground among these dissimilar groups could be: less group awareness among the self-employed; a question of principles among professionals and a fear of paying the piper among unskilled blue-collar workers.

If we take the level of education of the respondents as a variable, we see that the constants are: the higher the level of schooling, the greater the willingness to repay the debt, and the lower the educational level, the more the "don't knows" (see Table 5).

Table 5. Education as a Variable

<u>Response</u>	<u>University</u>	<u>Completed Secondary</u>	<u>Did Not Complete Secondary</u>	<u>Primary</u>	<u>None</u>
Yes, all	75	63	78	55	36
Yes, part	15	27	8	18	18
No	8	8	8	12	--
Don't know	2	2	6	15	46
	100	100	100	100	100

Table 6 analyzes the responses, by sex, concerning the possibility of repaying the foreign debt without a recession. The differences between men and women are not significant in this case either. The discrepancies are most notable between age groups. Men between ages 35 and 44 are the only ones who are evenly divided at 45 percent. In the remaining groups the yesses outnumber the noes, by a large margin in some cases. Women between 35 and 44 are the ones who are least inclined to believe that the debt can be paid without a recession; next come the youngest men and then the oldest men. The "don't knows" were most numerous among the oldest and youngest women.

Table 6. Possibility of Repaying the Debt Without a Recession

(Men)						
<u>Response</u>	<u>Total</u>	<u>18-23</u>	<u>24-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-65</u>
Yes	37	33	36	45	35	35
No	48	58	41	45	46	55
Don't know	15	9	23	10	19	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
(Women)						
Yes	33	35	34	29	35	30
No	48	38	50	58	49	39
Don't know	19	27	16	13	16	31
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

As we can see from Table 7, businessmen, professionals, white-collar workers and unskilled blue-collar workers feel most strongly that the debt cannot be repaid without a recession. Skilled blue-collar workers and the self-employed are a separate statistical population; they are the least convinced that the debt will be impossible to repay without incurring a recession. There is a high percentage (32) of "don't knows" among retired workers.

Table 7. The Occupation Variable

<u>Response</u>	<u>Businessmen</u>	<u>Professionals</u>	<u>White-Collar Workers</u>
Yes	40	39	39
No	55	52	50
Don't know	5	9	11

<u>Response</u>	<u>Skilled Blue-Collar</u>	<u>Unskilled Blue-Collar</u>	<u>Retirees</u>	<u>Self-Employed</u>
Yes	30	36	29	30
No	45	49	39	45
Don't know	25	15	32	25
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Table 8 demonstrates once again that education is the most clear-cut variable: those with no schooling had the lowest number of noes and the highest number of "don't knows." To our previous assertion that "the higher the rung of the social ladder, the greater the willingness to repay the debt," we should add "the higher the level of education, the weaker the belief that the debt can be repaid without a recession."

Table 8. The Education Variable

<u>Response</u>	<u>University</u>	<u>Completed Secondary</u>	<u>Did Not Complete Secondary</u>	<u>Primary</u>	<u>None</u>
Yes	38	37	34	35	9
No	55	56	52	43	36
Don't know	<u>7</u>	<u>7</u>	<u>14</u>	<u>22</u>	<u>55</u>
	100	100	100	100	100

Table 9 summarizes the responses to the question of why the foreign debt should be repaid. Our comment in this case is that a national conscience seems to have prevailed over utilitarian motives and the fear of possible consequences.

Table 9. Why Should the Debt Be Repaid?

<u>Response</u>	<u>Percent</u>
Because it is a national commitment	70
Because no more money will be loaned to us	20
Because we might be invaded	8
Other	1
Don't know	<u>1</u>
	100

Table 10 delves further into the previous responses (Table 9), analyzing them in accordance with the sex of the respondents. Women show themselves to be more pragmatic: we have to pay back the debt because we need loans from our creditors, their argument runs. The 35 to 44 age group among women holds this view the most, followed by men of the same age. The oldest men, followed by those 24 to 34, cited the national commitment argument the most; coming in third were women age 45 to 54 and the youngest women.

Table 10. Differences Between Men and Women

(Men)						
<u>Response</u>	<u>Total</u>	<u>18-23</u>	<u>24-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-65</u>
Commitment	75	73	81	75	60	85
No more loans	15	19	6	25	17	15
Invasion	8	8	13	--	13	--
Other	1	--	--	--	7	--
Don't know	<u>1</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3</u>	<u>--</u>
	100	100	100	100	100	100

(Women)

<u>Response</u>	<u>Total</u>	<u>18-23</u>	<u>24-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-65</u>
Commitment	65	74	54	69	74	64
No more loans	24	17	27	31	16	23
Invasion	8	9	10	--	10	9
Other	1	--	2	--	--	4
Don't know	<u>2</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>--</u>	<u>--</u>
	100	100	100	100	100	100

If we analyze the responses in light of the occupation of those surveyed (Table 11), we will see that professionals, businessmen, the self-employed and unskilled blue-collar workers are the most inclined to repay the debt so that we will be able to secure new loans. Retirees and skilled blue-collar workers identify the most with a national commitment.

Table 11. The Occupation Variable

<u>Response</u>	<u>Businessmen</u>	<u>Professionals</u>	<u>White-Collar Workers</u>
Commitment	68	66	70
No more loans	25	28	16
Invasion	4	6	12
Other	3	--	1
Don't know	--	--	1

<u>Response</u>	<u>Skilled Blue-Collar</u>	<u>Unskilled Blue-Collar</u>	<u>Retirees</u>	<u>Self-Employed</u>
Commitment	74	73	79	61
No more loans	16	21	12	25
Invasion	10	3	6	7
Other	--	--	3	--
Don't know	<u>--</u>	<u>3</u>	<u>--</u>	<u>7</u>
	100	100	100	100

Finally, Table 12 reflects the education variable. It shows that the identification with the national commitment is stronger as the level of schooling declines and that as it rises, pragmatism becomes more of a factor.

Table 12. The Education Variable

<u>Response</u>	<u>University</u>	<u>Completed Secondary</u>	<u>Did Not Complete Secondary</u>	<u>Primary</u>	<u>None</u>
Commitment	61	73	74	70	83
No more loans	33	16	19	19	17
Invasion	6	7	7	9	--
Other	--	3	--	1	--
Don't know	<u>--</u>	<u>1</u>	<u>--</u>	<u>1</u>	<u>--</u>
	100	100	100	100	100

Conclusions

Esther Kaplan, A&C's director of public opinion, has drawn a series of conclusions from the poll. She says that the Argentine people's idealism is illustrated by the high percentage that justified the repayment of the foreign debt "because it is a national commitment." In fact, a majority believe that the debt must be repaid even though they are convinced that this will be impossible without a recession. Even the romantic 35 percent that believe that it can be done without a recession deserve our praise. After all, the president himself is saying this. From this we can deduce that the people have a great deal of trust in their chief executive.

The higher the rung of the social ladder, the greater the willingness to repay the debt, the greater the pragmatism and the weaker the belief that it can be done without a recession.

The population can thus be divided into three groups in accordance with their sentiments: those that say that we have to repay the debt even if it causes a recession because otherwise we will not receive new loans; those who argue against paying it because we would incur a recession, and lastly, the romantics who assert that the debt has to be repaid and that it can be done without causing a recession. Those who assert that the debt has to be repaid, even with a recession, because it is a national commitment are in the majority.

Susana Perez, who is in charge of field work, furnished some additional information about the survey method. She explained that the poll took the form of an ordered questionnaire administered at randomly selected, heavily trafficked spots by specially trained A&C poll-takers. The work was 100 percent supervised. The questionnaires were then all printed up and electronically processed, and the tables of results are the ones presented in this article. The margin of error for this sample is plus or minus five percent.

8743

CSO: 3348/460

ALSOGARAY POINTS TO FAILURES IN ALFONSIN'S ECONOMIC POLICY

Bogota EL TIEMPO in Spanish 4 Jun 84 p 2-B

[Interview with Alvaro Alsogaray, former minister of economy, by Mariela Giraldo, special correspondent for LUNES ECONOMICO, in Buenos Aires; date not given]

[Text] Engineer Alvaro Alsogaray, minister of economy during the Frondizi and Ongania governments, former Democratic Center Union (UCD) presidential candidate, and present deputy of that party, is regarded as a consistent politician and an unmatched expert on the economic problems of Argentina.

His views are constantly sought by newspapers, magazines, radio and television. What he proposes may not be implemented, but everyone wants to hear what he has to say because he is a man without fear or bitterness and with numerous statistics to support his criticisms.

EL TIEMPO: The Argentine people are afraid. Some talk of civil war, others of a coup d'etat.

Alvaro Alsogaray: I do not have this same perception. The people are more concerned about the increasing decline in the standard of living. The country is not accustomed to the recession we have experienced in recent years, particularly last year, so that the popular concern is oriented more towards the problems of daily life than towards fear of a future coup d'etat.

EL TIEMPO: Has the economic plan of President Alfonsin mitigated this concern?

Alvaro Alsogaray: The Radical Party, where economic plans are concerned, has a command-interventionist position. It believes that the economy can be directed by acts of will of a political nature or technocratic efforts. It advocates these forms wherein state planning is mixed with a certain market interplay which is increasingly limited and restricted by the actions of government officials. The Radical Party came to power without a real plan, without a real medium- and long-range program, and thus it is governing by means of emergency measures.

EL TIEMPO: What emergency measures?

Alvaro Alsogaray: Measures which constitute a very short-term program and which are functioning at this time. Measures which have already failed. The proof of this is the high rate of inflation, the highest in the world today, coming to 20 percent in the month of April. And there is no way to reduce it according to the present techniques. This means depriving people who are at the limit of their capacity of 20 percent of their wages every month. Obviously, no one can be in agreement with this.

EL TIEMPO: And on the enterprise level?

Alvaro Alsogaray: There are major problems on this level. There are difficulties in importing basic supplies, and the hovering weight of an enormous debt. These are difficulties which Argentina is experiencing with real intensity for the first time.

EL TIEMPO: But the present government inherited all of these problems.

Alvaro Alsogaray: The most important thing, from our point of view, is that if the government denounces the inheritance it received and the visible evils, it is not proceeding similarly with plans to correct them. What the country wants is not for the government to resolve all of the inherited problems in 150 days, nor that it meet all of the demands of all of the sectors, much less that it provide each of its citizens with happiness. What is asked of the government is that it say how it is going to resolve these problems. We regard the short-term economic program as a failure. These next 2 or 3 months will be difficult because of the need to make major decisions, but in the final analysis I regard this as positive, because it seems to me better for the country to become aware of the real situation and to introduce changes to alter this reality. The worst thing would be for us to postpone solutions, at the cost, naturally, of a deterioration in the present situation.

EL TIEMPO: The president spoke during his campaign of a real wage.

Alvaro Alsogaray: This is one of the errors into which the president has been led. Governments cannot establish the real wage, since it is a result of the economic situation. The government can increase nominal wages, but if the cost of living rises, when the nominal wage is increased, to a level above it, real wages fall instead of increasing. It is an illusion to believe that by an authoritarian act, the real wage can be increased. I repeat, this is one of the errors into which the government has been led. It has promised something impossible.

EL TIEMPO: And who sought to lead it into this error?

Alvaro Alsogaray: The Radical Party is a traditional one in our country which includes various factions within it. But all of them have a common denominator, the belief that the economy can be directed according to the will of government officials, and this mistake is reflected in promises of this sort which later cannot be fulfilled.

EL TIEMPO: The government is being criticized because it has not changed anything in the "Financial Fatherland."

Alvaro Alsogaray: This is another of the slogans which has been put forth. If you ask the public what it means, no one will be able to define the phrase. What is certain is that many are utilizing the space and the pathways allowed by extensive Central Bank intervention in financial, monetary and economic life, in order to create fortunes, to speculate heavily, even against the interests of the country. Speculation has existed and exists today. Nothing has been changed in the "Financial Fatherland." What we must realize is that this has become possible because of the poor financial system in existence, through the improper intervention of the state in the system, making abuses possible. The idea of attacking the "Financial Fatherland," in the belief that all of these deviations can thus be controlled, is in error. What must be done is to establish where these deviations are.

Foreign Debt

EL TIEMPO: Some Latin American countries, including Colombia, have given your country a loan to help it refinance its foreign debt.

Alvaro Alsogaray: The government lost 4 months in coping with the refinancing of the foreign debt. It did nothing to negotiate with its creditors, and then in an effort to rescue the situation, this strange agreement was reached whereby Mexico, Venezuela, Brazil and Colombia made a 30-day loan to Argentina, at the end of which time, once the IMF had approved the agreement, the United States was to repay the money. If the United States did not repay it, Argentina would have to seek a way to pay it off under very demanding conditions. For example, the Mexicans said that they would cover it with wheat, and I suppose that the other countries would cover it with goods which we could sell freely anywhere in the world. This was a simple political coverage in order to avoid admitting to the country that we were 4 months off schedule. We supported this rescue measure, because at the moment of shipwreck, no one debates whether or not to use the life preservers thrown out. Thus in our view, this is by way of a life preserver thrown out at the last moment, but it has no significance other than that. What this measure provided was 30 or 40 additional days for beginning serious negotiations.

5157

CSO: 3348/455

LABOR LEADER IGLESIAS PULLS AHEAD OF UOM LEADER IN SURVEY

Buenos Aires SOMOS in Spanish 8 Jun 84 pp 18-19

[Article signed E. R.: "Iglesias and Miguel: What is Being Said in the Street"]

[Text] Lorenzo Miguel and Herminio Iglesias are at present the key protagonists within the Peronist movement. The former, because his personality was obscured as of the arrival of Isabel Peron in the country. In the case of Iglesias, it is because of the crisis within the Peronist faction in Buenos Aires, which threatens to deprive him of his leadership. In view of this, SOMOS undertook a survey through the A & C firm to establish what the man in the street thinks of both leaders. In the results the study yielded, to some extent surprising, a negative opinion of both on the part of a relative majority can be glimpsed.

In the results of the survey undertaken by A & C Business Analysts and Management Consultants, both Lorenzo Miguel and Herminio Iglesias obtained more negative than positive responses. The Buenos Aires leader came out three points ahead of the metallurgical workers' leader in the positive responses (total for "excellent" and "good"), with 14 percent as compared to 11 percent for Miguel. Meanwhile, the negative responses for Iglesias came to 49 percent, as compared to 59 percent for the head of the UOM [Metalworkers Union]. The survey was carried out in accordance with the system A & C customarily uses, the product of its association with Louis Harris & Associates, a well-known U.S. enterprise specializing in public opinion surveys. This time a representative sampling in the capital and Greater Buenos Aires was taken, including various population sectors classified by sex, age, occupation and educational level, using the parameters established for the last national census. The margin of error was plus or minus 5 percent. According to the results, women more than men are critical of both leaders. Miguel obtained positive responses from 15 percent of the men (6 percent said "excellent" and 9 percent "good"), dropping to 8 percent among the women (3 and 5 percent, respectively). Similarly, there were negative responses from 57 percent of the women, as compared to 52 percent of the men surveyed. There were more "don't know" answers among the women: 21 percent as compared to 17 percent. There were also more favorable responses from men (16 percent) than from women (11 percent) for Herminio Iglesias. The breakdown by age groups shows that those least critical of the leader of the province of Buenos Aires are young people 18 to 23 years of age

(39 percent gave negative answers), while the most critical were women between 45 and 54 years of age (63 percent). In any case, there is also a higher level of uncertainty in the youth sector, where the "don't know" answers totaled 31 percent. The situation is the same for Miguel. The most critical women are in the group from 45 to 54 years of age (67 percent, 4 percent more than for Iglesias), while the greatest uncertainty is among the youth, with "don't know" answers from 34 percent. But the greatest support comes from those between 35 and 44 years of age, with 14 percent positive responses.

Among the males surveyed, Miguel's strongest support is found in the lowest age group (18-23), where the favorable responses came to 21 percent, while the group most favorable to Herminio Iglesias is in the middle age range (35-44), with 41 percent positive answers. The largest number of adverse answers for the males surveyed was found for Iglesias in the 24-34 year age group--57 percent.

Occupation and Educational Level

Professional people were most critical of Lorenzo Miguel, followed by businessmen (84 and 70 percent negative totals, respectively), while the picture was virtually the same for Iglesias: 80 percent for professional people and 65 percent for businessmen. The sector favoring Miguel the most, the results indicate, is that of unskilled workers, with 15 percent positive responses and the lowest total of negative responses (35 percent), although the level of uncertainty is high--39 percent. Esther Kaplan, public opinion director for A & C, in analyzing the results for both leaders, told SOMOS that "the 'don't know' answers of the low socio-occupational level segments seem to anticipate a change in representation." Among office employees, there were more positive responses for Iglesias than for Miguel, by one point. The same difference was seen among skilled workers, with a 10 point span where the retired category was concerned (16 to 6 percent in favor of Iglesias). For both assessments, the "average" response, which can be interpreted as uncertainty, generally increases as one goes down the vocational scale. Approximately the same is true of "don't know," the other indicator of uncertainty.

In terms of educational level, both Miguel and Iglesias obtained more positive responses from the "incomplete secondary education" category: 18 percent for the metallurgical workers' leader, and 20 percent for the Buenos Aires leader. The largest volume of negative answers was obtained for both from those with university level educations: 85 percent for Iglesias and 80 percent for Miguel. Conversely, it was in the "primary or none" educational category that the lowest negative figures occurred: 45 percent for Miguel and 38 percent for Iglesias. The "average" answer, not included in either of the two categories, increases for both as the educational level drops. Miguel obtained "average" answers from 5, 14, 14 and 17 percent of those surveyed in the four educational level categories (university, secondary, incomplete secondary and primary or none), respectively. The pattern was almost the same for Iglesias: 3, 19, 18 and 25 percent, respectively.

Hermínio Iglesias		Busi- nessmen	Profes- sionals	Office Workers	By Vocation		Pen- sioners	Self- employed
					Skilled Workers	Unskilled Workers		
Excellent	5%	10%	--	4%	1%	2%	6%	5%
Good	9%	8%	3%	8%	11%	11%	10%	10%
Average	21%	8%	7%	23%	31%	22%	23%	25%
Poor	28%	36%	32%	34%	31%	22%	21%	10%
Very poor	21%	29%	48%	16%	12%	13%	23%	18%
Don't know	16%	9%	10%	15%	14%	30%	17%	32%

Lorenzo Miguel		Busi- nessmen	Profes- sionals	Office Workers	By Vocation		Pen- sioners	Self- employed
					Skilled Workers	Unskilled Workers		
Excellent	4%	11%	--	3%	1%	4%	2%	5%
Good	7%	5%	3%	8%	10%	11%	4%	8%
Average	15%	5%	3%	22%	19%	11%	15%	20%
Poor	33%	39%	32%	35%	39%	24%	29%	23%
Very poor	22%	31%	52%	21%	16%	11%	19%	13%
Don't know	19%	9%	10%	11%	15%	39%	31%	31%

RESURGENCE OF STUDENT POLITICAL ACTIVITY REVIEWED

Public Education Reform Demanded

Buenos Aires LA PRENSA in Spanish 4 May 84 p 10

[Article: "Growing Politicization at the University"]

[Text] There have come to our attention various situations that have cropped up at present in the University of Buenos Aires Law School, where a student center operates under the leadership (based on the elections held on 4 June of last year) of the Radical group, Franja Morada (in which seven internal lines which eventually converged into one, that answers completely to the so-called "Coordinating Board," used to coexist), with seven representatives; and the one following FENP (Peronists and Development followers), with three; Iustum (independents), with two; JUI (Intransigents), with one; and, finally, UPAU (centrists), also with one. According to reports that we have gathered from various sources, these student political groups engage in an activity that might be considered more partisan than university-related.

An incident led by the Intransigent Youth discloses the growing university "politicization." A few days ago, its members set up a table or platform with the distinguishing symbol of the Sandinist Liberation Front of Nicaragua, and took up a collection for the benefit of that country. Certain groups of leftist orientation are also playing at all hours and in the physical area of the school music of the so-called "new Cuban ballad" which, as everyone knows, has on several occasions lent its support to the Nicaraguan regime.

Along a different line (and in this respect there are apparently no differences in the students' ideological orientation), one can hear students commenting, without any type of prejudgment, on the options offered to them for taking certain subjects; in other words, they choose the professor because they know him.

One can also notice on the walls, both outside and inside the building, political slogans painted with aerosol, in which they ask, among other things, for the release of the political prisoners, or announce, in very heavy writing, that "Nicaragua will conquer." We have also been told that the requirements on the academic level are by no means equal, since some instructors are "fair,"

others prove overly "difficult" while a third group appears to be very "generous" about passing students.

Stubrin's Statements

The present Radical Party deputy representing the Federal Capital District, Marcelo Stubrin, even made some statements recently to the magazine RENOVACION, relating precisely to the university issue, also with a highly "politicized" approach. The legislator remarked at the time: "The privileged minorities that have always opposed the Radical movement seem uninterested in being users of the national university. They have constructed an entire educational system in which they take refuge. It begins with select kindergartens, goes on in private colleges and universities and ends with a "Ph.D." from some foreign university. Popular education is abandoned; they do not need it; they can cause disasters in the financial system by being trained in Chicago; they can destroy the productive system by obtaining a doctorate from Columbia."

Stubrin added: "The private universities are not part of the Radical educational plans; we are aware of their existence, and of the fact that over 20 percent of Argentine students are trained in them. When they were founded, we opposed their creation. Now, we are not in favor of state subsidies that contribute to their financing."

'Strict Controls'

He then emphasized: "We favor subjecting them to strict control, but they hold no interest for us; we know that it is not the private universities that will contribute to the country's development. In most of them, the courses that they offer are the traditional ones, the ones with a demand on the market which constitute a logical source of income. Some are more serious, while others aspire to train the ruling classes; but, in essence, we Radicals claim that the state university is our area of action. It is the one with a major contribution included in our future plans."

Two Resolutions

In connection with the new events occurring at the University of Buenos Aires, two resolutions (dated 10 April) were announced, adopted by the Provisional Higher Council, on which there has not yet been much detailed information. The first one relates to "the need to provide candidates for admission to UBA suitable, accurate information on the university, its features and its courses," and the other seems to be linked with the goal of "carrying out in all the schools and courses at the University of Buenos Aires a deepseated educational reform that will make possible a high level of instruction, professional training and academic research."

In the "whereas" clauses referring to the candidates, there is cited, among other objectives, that of "tending toward the attainment of instrumental learning to develop communication and reflection," while at the same time calling for the creation of a preparatory (pre-university) course of an experimental

nature, which will be held during the second semester this year, with compulsory attendance, which can be attended by students who are in the last year of intermediate education in all the institutions in the Federal Capital and Greater Buenos Aires.

Educational Reform

The second resolution that we mentioned relates, as we noted, to educational reform, considering that "the isolation of each of the courses is a factor that runs counter to the formation of a complete university spirit transcending courses and specialties," and that "the present study plans for the courses have flaws that prevent the attainment of the goals associated with the students' scientific and professional training."

After giving another series of considerations, it stipulates that the Secretariat of Planning, through the General Directorate of Educational Planning, will be responsible for the educational reform, "to consider the feasibility of setting up study plans in three courses: one basic, common to the entire university; one professional; and, finally, one postgraduate course, devoted to research."

UBA Student Leaders Comment

Buenos Aires CLARIN in Spanish 27 May 84 Supplement pp 8-10

[Article by Laura Sverdllick: "What's Going On In the Argentine University Today?"]

[Text] Entering a school means plunging into the uproar of an uncontrolled, impassioned student body full of life. And this is evident at the very entrance, on its walls which, until yesterday, were white, but which are now completely filled with signs; to be sure, all of them from different political groups making political and social student demands, and from Student Centers which, among other things, are calling for cooperation with the community, seeking food for the flood victims, and volunteers for some literacy course, or to install a health station in some section of Greater Buenos Aires that needs it. Also, as soon as one walks through the halls, he sees improvised tables of the various political movements selling magazines or books, and collecting signatures for making improvements in the respective schools, with everyone's help.

There are many signs attesting to the change of atmosphere in the university. The students, whose numbers have increased considerably, are discussing, unafraid of expressing their feelings among their comrades, national problems or philosophical problems relating to their respective courses, seated in groups on the sidewalks on sunny days, or in the nearby bars, if time allows, with a coffee that can last for hours. Nor are there any guards at the entrances to the institutions of higher learning, and no university pass is requested in order to enter.

CLARIN REVISTA talked with students and leaders. The purpose was to learn what changes have occurred at the different schools, and what still remains to be done. They frankly discussed the pros and cons of today's university. All agreed that great progress has been made in the past few months, but many also question the intensity and depth of the measures adopted.

What Everyone Hails

Perhaps what matters most to the students is that, after many years, the legality of the student movement has been acknowledged; because, after this measure, the students could work with more confidence, without so much fear and with the hope that their efforts will be recognized and accepted.

Lucas Luchilo, a fifth year history student and head of his school's Student Center, led by Franja Morada (National Coordinating Board), says that this was one of the most important changes. He notes: "Before Alfonsin took office, the student movement was not officially recognized, despite the fact that Student Centers already existed. Many comrades received threats and the work itself was proving very difficult. To obtain an interview with the dean or submit a proposal to him was almost impossible. But if, perchance, he received it, it was useless anyway. Today, fortunately, this has changed."

Today (they say) students can participate in the university's advisory boards. This means that their opinions are valued, heeded and often requested on the official level.

The student organizations say that they are now well received and accepted, so much so that they have been asked to propose a list of three candidates for the election of deans and, in some cases, have also been asked for proposals for the appointment of professors.

Hence, the different movements generally agree that the dialog with the authorities is frank, constant and open.

Jaime Perczyk is in his second year of psychology and a member of the Buenos Aires University Federation's Executive Board representing Peronist University Youth. He comments that most of the faculty at his school was elected by the Advisory Board in which students participate. He adds: "Now, we have the door open constantly to hold dialog with the authorities." Aldo Sebastiano Di Pino, a fifth year architecture student and education secretary of his school's Student Center, for the Reformist Orientation Movement, run by the Communist Party, for his part offers an interesting comment: "In our course the basic subject is design. At the Student Center, we have had 10 new professorships proposed by us established. For this purpose, we studied countless resumes and made the selection based on professional qualifications and ideological plurality." Carlos Basanas, an engineering student and secretary general of Purple Fringe (National Popular Movement), says that dialog and participation are not only allowed, but also encouraged by the faculty. He adds: "Today, the dean and other officials call upon us to make proposals and ask us about decisions."

The return to political activity on the national level also brought about its return to the university. Even today, the participation is minority, but is constantly growing. One strange fact is that the greatest amount of activity is noted in the first years of the courses. It would appear that the youngest have more forcefulness and more of a desire to do things.

Fernando Garcia, a member of the Peronist Groups Front's Executive Board, representing the history course, comments: "Obviously, the most important indicator of the fact that the greatest amount of activity is taking place during the early years was the conflict that arose over the issue of unrestricted admission. The students organized, even though they lacked experience. They elected delegates, debated the issue in all the courses and held meetings. They acted with an unusual enthusiasm and an unfamiliar, unexpected lack of inhibition."

There is also agreement on the fact that, during this recent period, an attempt was made to raise the scientific and academic level of the various schools. During previous years, the almost non-existent budget did not allow for progress in studies and research with the necessary speed. Today, this has been increased insofar as possible, and a partial replacement of professors has been undertaken.

The students claim to be more satisfied. This is due to the increase and improvement in study opportunities. In many schools, one can choose between two departments with different programs and orientation to take the same subject matter (parallel departments). In addition, courses and seminars are prepared with professors coming from abroad. Of course, many more changes are still anticipated.

Some of the professors who had been dismissed for ideological reasons have been restored to their professorships. And, furthermore, those who had been deeply involved in the process were released from their positions.

Another reason for happiness among the students was the repeal of the tariffs. They comment that, although what they had to pay was not much, it was a moral issue that was involved. Today, these few pesos are used for travel, a book or several cups of coffee.

In addition, the schedules for taking courses were redistributed, paying more attention to the students' needs. In this way, those who need to work have their jobs facilitated by receiving more opportunities at night.

The examination dates had always been a problem. Generally, there were only three schedules per year, which forced the students to accumulate a large amount of subject matter to take the test within a short time. Today, in most of the schools, examination dates have been set for every month.

Still another cause of the students' concern which has been eliminated was that regarding the correlativity. This meant that, to take certain subjects, one had to have passed others. For example, in the veterinary course, in order

to be able to move on to the next higher grade, one had to pass 100 percent of the courses for the previous year; otherwise, the year was wasted.

Antonio Solsona, secretary for academic affairs of the Law and Social Sciences School Students Center, representing the non-partisan National Students Union, claims that, thanks to these measures, the situation at his school has changed considerably. "This year, in law, one was allowed to choose a department, something that was not the case years ago. Before, one took a chance and, if he was lucky, he could take several subjects; and if not, he was in trouble." Raul Sandro, a student who is close to being a physician and from Franja Morada, as well as serving as education secretary at his center, maintains that this "was the first year that the request for shifts was upheld at the Medical School. It means that if one was working, he could finally coordinate his studies and job in a consistent manner."

Osvaldo Rossner, head of the Franja Morada (University Convergence) Students Center at the Veterinary School, comments that they themselves are responsible for procuring the wombs for the obstetrics course, traveling to Mercedes twice a week. He adds: "Furthermore, we now go to purchase a large number of small animals and, in another regard, we are rehabilitating hospital wings which, despite the lack of space that exists, had been unused." Raul Sandro, the leader at the Medical School, remarks that they have established several medical assistance stations for the community in shanty towns. He adds: "We are also constantly holding drives to collect provisions and medicine for the flood victims."

What Many Criticize

One of the matters of most concern to the students is that a democratic university law has not yet been passed. The one in effect at present is the law which was promulgated by the military government.

One of the student demands that is not yet in force is that for joint government. This means that the university government must be managed by the instructors, graduates and students. Although these three groups are present in the Advisory Steering Councils on the school level, and in the Provisional Higher Councils, these entities have only a consultative function, and not a decision-making one.

The changes made to date have not been so deepseated as expected by many sectors of the student movement. The students were expecting to find the educational institution totally revamped.

Alejandro Otero, leader of the Independent University Bloc for Transformation in the School of Economic Sciences, claims that these are the two most important issues to be resolved at present. "On the one hand, the student movement has come out in favor of the cancellation of the previous competitions, and the appeal for new ones. On the other, it has proclaimed its support for

the reinstatement in their positions of the professors who were dismissed for ideological reasons, only a minority of whom have been returned."

Today, very few reject the student movement, but there are also very few working hard. Antonio Solsona, the Law School leader, claims that at his school, which has 15,000 students, only 100 are active.

According to Lucas Luchilo, of the School of Philosophy and Letters, the participation will undergo a constant, considerable increment. "But at the present time, our task is to try to find the most effective, useful way of directing it."

Aldo Di Pino, head of the MOR [Reformist Orientation Movement] at the School of Architecture, expresses great interest in this aspect of the problem. He says: "We must begin working together so as to be able to do so when the joint government is restored. We want to make it clear that we are not on the sidewalk opposing the professors. We admit that only with everyone's commitment shall we be able to construct the kind of university that the country needs. We both have a joint mission. Today, students are not opposed to professors. Furthermore, we urge them to approach us so as to start working."

A Picture of the Movements

Nearly all the existing political parties on the national level are represented at the university. But the odd feature appearing in the student area is the fact that the independent movements, which are political but not partisan associations, and are particularly concerned with the students' demands for union organization, are very strong.

To clear up the university political picture, there is detailed below the percentage with which the different leading movements are represented at each school:

Economic Sciences:

Franja Morada, 50.3 percent
Revaluation Link (right wing independents), 21.2 percent
CISE (left wing independents), 7.1 percent
Others (eight more groups), 17 percent

Law:

Franja Morada, 37.7 percent
CEM (Peronists, Development backers and independents), 17.2 percent
Iustum (right wing independents), 14.2 percent
Intransigent University Youth, 10.7 percent
Others (eight more groups), 19.3 percent

Psychology:

Intransigent University Youth, 34.4 percent
FUNAP (Peronists and independents), 23.5 percent
Franja Morada, 23.4 percent
Others (three more groups), 18 percent

Engineering:

Franja Morada, 41.3 percent
Quantum (right wing independents), 38.9 percent
Intransigent University Youth, 7.9 percent
Others (three more movements), 11.7 percent

Agronomy:

LAI (independents), 43.8 percent
Franja Morada, 20.1 percent
Others (three more groups), 35.3 percent

Exact Sciences:

Franja Morada, 37.7 percent
AIEI (left wing independents), 26.8 percent
Others (four more parties), 35.4 percent

Dentistry:

EIFO (independents), 53.6 percent
Franja Morada, 47.2 percent

Pharmacy and Biochemistry:

Right wing independents, 47.7 percent
MISIP (left), 29.1 percent
Others (three more groups), 29.1 percent

Sociology:

Intransigent University Youth, 37.4 percent
Franja Morada, 19.8 percent
Others (three more groups), 42.6 percent

Architecture:

Franja Morada, 36.0 percent
Autonomous Students, 21.5 percent
Intransigent University Youth, 11.8 percent
Others (seven more groups), 30.7 percent

Philosophy and Letters:

Franja Morada, 25.2 percent

FUNAP (Peronists, Intransigents and Christian Democrats), 23.8 percent

MTU (independents), 18.2 percent

Others (seven more groups), 32.8 percent

Veterinary:

Franja Morada, 32.2 percent

Gestar, 32.6 percent

Others (two movements), 34.2 percent

Medicine:

Franja Morada, 55.3 percent

Sinapsis (right wing independents), 24.4 percent

Others (seven more groups), 24.6 percent

Private University Unions Debated

Buenos Aires LA PRENSA in Spanish 4 Jun 84 p 4

[Text] The minister of culture and education, Carlos Alconada Aramburu, has stated that "no decision has been made on the union organization of students in private universities," explaining that this issue "is being studied" by the ministry that he heads.

Alconada Aramburu made this remark in statements to Argentine News in reaction to a rumor to the effect that the free union organization of private university students would be "replaced or cancelled."

According to that rumor, this prospect was mentioned by leaders of "Fanja Morada-Private Universities," during a recent student congress held in Santiago del Estero.

The regulation that the government reportedly intends to "replace or cancel" is contained in Circular Letter 234 of 16 May 1976, issued at the beginning of the military regime which replaced the Peronist government, and was signed by the then Frigate Capt Julio Anibal Rey.

The Ban

Through that regulation, the national reorganization process banned the union organization of students at educational institutions throughout the entire country.

Catholic University

Nevertheless, in the case of the Argentine Catholic University (UCA), for example, that circular letter or resolution was never implemented.

UCA (explained one of its board members to Argentine News) never banned freedom for union organization, and the heads of the centers in all the academic units discuss issues with the chairman of the board of administration.

The UCA spokesman explained that these discussions almost always take place concerning the amounts of the tariffs for courses, and very often regarding municipal affairs.

The source claimed: "At this university there is also a commission for student affairs which holds dialog with the higher council, but is not a member of it."

One of the most enthusiastic demands of the leaders of "Franja Morada-Private Universities" is to have membership in the higher council; in other words, to be a part of the university government.

Controversy

About 2 months ago, the controversy between the aforementioned student leadership and the private university rectors grouped in the Private University Council (CRUN) was made public.

Student Demand

The young people were demanding free student union organization, participation in the higher council and the transformation of the administration of those institutions of higher learning through cooperative systems.

CRUN was forced to reveal to the public, through ads in metropolitan newspapers, the activity that is taking place in those universities and the features of their fundamental action.

After those ads, the head of CRUN and rector of UCA, Msgr Jorge Blanco, met with President Alfonsín and, upon leaving that meeting, declared: "The honorable president has given private universities all kinds of guarantees."

After the aforementioned meeting, the students, for their part, commented, "We are not opposed to the existence of private universities," but, "we want to have a more important role in them."

Celebration

After a silence of more than 40 days, at the aforementioned congress in Santiago del Estero there was a celebration in advance of the decision that Minister Alconada Aramburu might make regarding student union organization in those institutions of higher learning.

Documents were submitted on the establishment of private universities and their activities, but they will have to be approved by a plenary meeting for which no date has yet been set.

INE FIGURES SHOW RISE IN UNEMPLOYMENT RATE

Santiago EL MERCURIO in Spanish 6 Jun 84 p C-2

[Text] During the February-April moving quarter of this year, the unemployment rate in the country reached an average of 15.9 percent in comparison with 15.5 percent recorded for the previous moving period.

This information was provided by Hector Kappes, chief of the National Institute of Statistics' (INE) Labor Statistics Department.

Regarding the reasons for this increase, Kappes pointed out that a major factor affecting the index was the decline in the number of those enrolled in the special employment programs, expressing the view that the purpose of this reduction might be to pressure those individuals to seek a more profitable job.

He noted that the labor force declined by 12,700 persons, as a result of the transfer of the work force abroad. He claimed that this was associated essentially with a mass of students who have departed.

In the metropolitan region, the unemployment rose from 18.3 to 18.9 percent, in a comparison between February-April and the first quarter.

Between February and April, the total number of employed in the country was 3,104,700; whereas the number of unemployed amounted to 586,300.

The 15.9 percent unemployment index is broken down into 12.3 percent jobless and 3.6 percent individuals seeking work for the first time.

Meanwhile, between January and April, the number of those enrolled in the special employment programs dropped by 157,160, 100,404 of whom were associated with the Minimum Employment Plan (PEM) and 56,756 with the Employment for Heads of Households Program (POJH).

In January, there were 250,649 enrolled in the PEM, and in April the number dropped to 150,245; whereas in the POJH, the number of beneficiaries declined from 201,573 to 144,817.

Rate By Regions

The unemployment rate in the First Region rose from 17.3 to 17.4 percent; in the Second Region, it declined from 14.4 to 14.1 percent; in the Third Region, it rose from 11.6 to 13.4 percent; and in the Fourth Region, it declined from 18.7 to 18.3 percent.

In the Fifth Region, the index increased from 19.1 to 21.1 percent; in the Sixth Region, it dropped from 13 to 12.7 percent; in the Seventh Region, it declined from 13 to 12.3 percent; and in the Eighth Region, the unemployment rate was raised from 9.9 to 10.7 percent.

In the Ninth Region, the unemployment declined from 12 to 11.4 percent; in the 10th, it dropped from 10.4 to 9.8 percent; in the 11th, it rose from 16 to 17.2 percent; and in the 12th, it decreased from 14.1 to 11.1 percent.

Unemployment By Activity

Based on economic activity, of the 586,300 unemployed in the country, 37,200 are located in agriculture; 7,600, in mines and quarries; 77,000, in industries; 2,300 in electricity, gas and water; 50,300, in construction; 71,700 in commerce; 32,600, in transportation; 17,100 in financial services; 158,700, in communal, social and personal services; 800 in activities not clearly specified; and 131,000 who are seeking work for the first time.

In the Metropolitan Region, between February and April there were 285,800 unemployed, 82,600 of whom were associated with communal and social services; 57,600 were persons seeking work for the first time; and 52,900 were from industries.

Pay

On the other hand, between April of last year and April of this year, the salary index showed a real increment of 0.8 percent. During the aforementioned 12 months, the salaries of administrators and managers rose by 4.4 percent; those of professionals and technicians, 1.1 percent; those of employees, 4 percent; those of workers, 2.6 percent; those of unspecialized workers, 0.4 percent; and those of workers providing personal services, 0.6 percent.

The pay of administrative workers and vendors underwent a real decline of -0.5 and -4.5 percent, respectively.

Moreover, it was announced that the latest readjustment granted to the retired sector took place in January of this year, and amounted to 15 percent. From that date until the present, the variation in the cumulative CPI has been 5.22 percent.

2909

CSO: 3348/448

FINANCE MINISTER SEEKS BUSINESS SECTOR'S COOPERATION

Santiago EL MERCURIO in Spanish 6 Jun 84 pp B-1, B-2

[Text] Yesterday, council members of the Industrial Development Association [SOFOFA] underscored the candor and simplicity with which the finance minister had explained the country's most urgent problems to the members of the entity. Nevertheless, some proposed alternative methods for providing jobs to the unemployed, the most prominent feature of which is the preeminence of the "entrepreneurial criterion."

The manager of Pacific Pharmo-Chemical, Alberto Martinez, remarked that the minister had made candid comments and that "nothing he said could be disputed."

He added that the dialog had been very enlightening concerning certain limitations with which the authorities are acting, which had been unknown to the private sector, for example, in the tariff area, wherein there are agreements that prevent the attainment of certain solutions which have been studied for a long time.

When asked about the appeal for a 10 percent increase in the personnel of business firms, Martinez claimed, personally, that there is apparently no clear notion about the problems generated in directing a business.

When the present economic crisis arrived, he said, "We were refusing to lay off people in the hope that the activity would improve, and because it is very difficult to create skilled personnel to run machinery. However, we didn't realize that the surplus personnel in a company undergoes demoralization, which is also conveyed to those engaged in useful activity within the industry."

He added: "One of the most important contributions of the market economy is the efficiency that is introduced into the industrial sector; a result of an atmosphere adverse to native production. Hence, before undertaking any expense or investment, it is studied painstakingly. We must continue to be highly competitive and continue to consider exporting and the replacement of imports, which is the path along which the country will come out ahead."

For the foregoing reason, he claimed: "I don't believe that hiring more personnel, as has been proposed, is the way to achieve social solidarity. I think that if the business firms contributed, with 1 percent of their payroll, to the creation of a fund, and devised specific work programs to be carried out with properly paid workers, not like the PEM [Minimum Employment Plan] and the POJH [Employment for Heads of Households Program], it would be far better."

Martinez noted that a very serious time is being experienced, "and we must find a way of creating and providing jobs. There are sectors that are progressing well, and others that cannot offer any major employment. During the past 4 months, we have hired about 30 individuals, which is over 10 percent of the personnel; and I can continue to take on more workers, but I shall not write to the minister. I have done this because I need them."

Martinez stressed: "We should all help to create a fund, with specific job plans and suitable pay, so that the people will have self-respect."

Moreover, he maintained that it is unthinkable and would be unfortunate to reestablish protectionist devices, using the argument that in this way more personnel could be hired. Nor is it possible to subsidize exports, because the problem would be merely postponed; and the business firms do not export because they are more efficient, but rather because of the incentives.

Martinez also refuted the method of applying taxes to certain products, because experience indicates that contraband and tax evasion are fostered in this way.

"What is a luxury product?" Martinez asks. "It is simply what I, as a public official, decide that you cannot have. When such decisions start to be made, we lose the notion of economic freedom; and if this occurs, everything that has been accomplished during the past 10 years will have been wasted."

Resuming the issue of employment, Martinez suggested that, in the Production and Commerce Confederation, the formation of a commission to study ways of creating that fund for specific work planes, financed by business owners, whether they be industrialists, or engaged in agriculture, mining, etc., could be proposed. "But it must be clearly understood that this is an emergency plan to foster the country's development, with an entrepreneurial criterion, run by the business owners. This cannot be thought of in terms of charity."

In conclusion, he expressed his conviction that, if the idea that has been described ever materializes, industry could generate over 40,000 jobs; and if this is done among all sectors, as many as 150,000 new jobs could be achieved.

Fuad Garib

The textile sector industrialist, Fuad Garib, remarked that Minister Escobar's comment is realistic and, "since it has been made by the official, it has even more of an impact." He added that the minister requested the cooperation

of industrialists, "a cooperation that we are willing to give, because the minister's success is the industrialists' success as well."

With regard to the appeal for employment, Garib remarked: "We are willing to accept his request, without being concerned about the profitability of the enterprise. But in this connection, we must be very careful not to destroy the efficient, productive structure that we have established in our factories, which has been a result of the need to compete with imports into which we have been forced."

Garib explained that 10 percent inefficiency cannot be added to industries after enormous efforts have been made for modernizing and work productivity; noting that, in this respect, "it would be better to donate the equivalent to hire 10 percent more personnel for a municipality, so that the latter might offer productive jobs."

Hernan Daroch

The former head of SOFOFA, Hernan Daroch, stated: "The minister's candor and simplicity had an impact, and I think that we all want him to succeed in his administration."

Daroch said that the official had left a good impression and had made it clear that "a joint effort is required, because the problem is one for everyone."

The businessman claimed that the minister had offered a good economic and social diagnosis of the country, a reality that "99 percent of those present at the meeting know well."

In commenting on employment, Daroch said that industrialists "have a social sensitivity, but it must also be realized that there are limitations and obstacles preventing more people from boarding the ship, because the latter might sink."

The proposal regarding employment is good, "but there are some who can do it and others who cannot. People are acting cautiously and calmly, for these are things that recent experience has taught."

2909

CSO: 3348/448

CENTRAL BANK RELEASES IMPORT-EXPORT DATA FOR FIRST QUARTER

Santiago LA NACION in Spanish 6 Jun 84 p 8

[Text] Yesterday, the Central Bank announced a commercial surplus of \$372.2 million as of 30 April of this year. This difference in favor of the country's foreign trade occurred as a result of exports totaling \$1.3691 billion, as opposed to imports amounting to \$996.9 million.

The issuing institution's document notes that exports increased 6.8 percent over the figure for the first 4 months of last year, and imports rose by 16.2 percent. The commercial surplus was 12 percent lower than in 1983.

The foreign sales which were most prominent were those of agricultural and livestock products, mainly fresh fruit, and some industrial products, such as cellulose and chemicals. On the other hand, mining products declined, because of reductions in gold and silver shipments, despite the increments in copper exports.

The increase in imports is explained by the rise in purchases of intermediate products, especially raw materials and spare parts, as well as capital equipment. Consumer goods had a slight decline in comparison with the records for last year.

Holdings and Assets

At the end of April, the Central Bank's holdings amounted to \$2.0796 billion, with a \$15.1 million increase in April and a \$56.9 million increase for the period. The international assets, in turn, totaled \$2.6875 billion, with a gain of \$58.6 million for the year.

Thus, the balance in the balance of payments for the first 4 months of the year is \$44 million. During April, there was a slight deficit amounting to \$1.1 million. It should be recalled that, during a similar period last year, the balance in the balance of payments had a deficit of over \$1 billion.

New Projection

On the occasion of the latest visit of the International Monetary Fund on a work mission, a review was made of the country's balance of payments position.

The projection regarding this account for 1984 was reviewed in the light of the events which have affected both the interest rate and the copper price on the international markets, and the actual results for the first quarter.

The preliminary results for the quarter show a deficit in current account similar to the one that had been projected. Nevertheless, there is an appreciable difference in the figures on financial services and imports. The latter far exceeded those projected, with a 17.8 percent rate of increase over those for the first quarter of last year.

As for the financial services, the small payment made abroad was due chiefly to the fact that the payments of commissions for the renegotiation of the foreign debt, which had been called for during the first quarter of the year, will not actually be made until the renegotiation agreements have gone into effect. It was also affected by a larger income by way of interest received on the financial assets.

Insofar as the capital account is concerned, the Central Bank's document states that a net income exceeding expectations has been noted; shown by an overall result that represented a surplus instead of a deficit, as had been projected.

The larger capital income exceeding estimates affected the short-term flow, particularly that of the private sector, among which the major flow was the increment in direct external financing for exporters. It adds that the public sector had a lag in the turnover of loans programmed, particularly over the short term; that caused an increase in the non-financial net debt, which was considerably lower than programmed. This was offset by larger short-term capital income on the part of the public financing sector.

The issuing institution's document reports that, in the revised projection of the balance of payments, a change has been made in the average price of copper for the year, from 75 cents to 71.3 cents on the dollar per pound. This reduction, which could have an effect amounting to about \$100 million on the value of exports, actually represents compensation for the anticipated rise in the volume exported, which is estimated at 5.5 percent higher than the previous projection.

2909

CSO: 3348/448

GOVERNMENT TO CUT IMPORTS 10 PERCENT THIS YEAR

Bogota EL TIEMPO in Spanish 5 Jun 84 p 8-B

[Text] Government imports this year will be cut by at least 10 percent, enabling Colombia to save between \$150 and \$200 million.

Government sources indicated that the contribution made by state agencies to the import-restriction policy could be even greater, as a result of the presidential directive sent to the ministries and government agencies to limit foreign purchases to what is strictly necessary.

Until last year what were termed "official" or government imports made up 30 percent of the total value of the goods purchased by Colombia abroad. At that time this figure was calculated at approximately US \$1.5 billion.

One of the areas in which foreign goods with a high value are imported each year is electricity. There will be no danger of paralyzing large, mid-sized, and small projects now in progress, officials from this sector said. On the contrary, they felt the presidential directive was "of the highest importance."

Sources within the electricity sector do recognize that some agencies import too far in advance. In the case of ICEL [Colombian Electrical Power Institute], for example, the previous government administration authorized and proceeded with the import of 30 electrical substations at a cost of over \$2 billion; 2 years later, these plants are barely beginning to be installed.

The ICEL director, Juan B. Perez Rubiano, confirmed this instance and said that the substations have now been installed in Villavicencio, Mariquita, Popayan, Pasto, and Girardot. Some of these plants, like the one at Popayan, have sufficient capacity to generate up to 150,000 kw, and are essential for electrification programs.

These too early imports are part of what INCOMEX [Colombian Foreign Trade Institute] calls "an excessive accumulation of inventory," which the government is now trying to avoid by rationing the approval of import licenses. Sources in the electricity sector said that the largest imports for the projects underway now have already been made, and a high percentage of them were financed with foreign credit, placing no pressure on the balance of payments.

Another sector which has made substantial imports in the quite recent past is the food supply industry. The head of the Agricultural Marketing Institute, Orlando Sardi de Lima, said that the volume and cost of these imports have been considerably reduced, and will continue to decline in accordance with the government's policy.

During the first 5 months of this year, \$23 billion less food was imported, as a result of the import restrictions. The official IDEMA [Agricultural and Livestock Marketing Institute] statistics indicate that of the US \$78 million worth of food approved for import by the private sector, only US \$68 million was actually spent on imports. In the specific case of IDEMA, of US \$20.9 million scheduled to be imported, only a value of US \$8.9 million was actually imported.

Officials from INCOMEX and the ministry of development said that, just as in the private sector, the "time to tighten our belts has come for the public sector as well."

Private Sector Situation

In the meantime, in the private sector industry federation leaders are insisting that a sensitive situation must be faced. It is a situation which could lead to business closings and personnel layoffs--problems with raw material imports.

Liquor importers affiliated with ACODIL [expansion unknown] said that the system for converting from the import of bottled liquor to bulk imports is unclear, and requested a grace period for adapting their facilities.

Drug manufacturers insisted that they be given a minimum budget of US \$50 million to cover their import requirements.

Members of industry affiliated with FEDEMETAL [Colombian Metals Industries Federation] are preparing a document informing the government of their foreign currency needs. They announced that a number of subsectors have begun to encounter serious problems because of raw materials shortages.

The foundry and ironworking sector affiliated with FENALCO [National Federation of Businessmen] announced layoffs of 30 percent of their personnel.

The exporters pointed out that "Colombia has now decided to link the level of imports strictly to the level of exports," with the government requiring that the private sector generate part of the foreign currency it needs. In this sector it is believed that the import restrictions will be more severe in what remains of this year.

Automobile importers, hardest hit by a total cutoff of imports, said that 90 firms in this sector have already closed. Unemployment may reach 2,200 people; the treasury is collecting 6.8 billion pesos less in taxes; and purchases in Colombia are down by 5 billion pesos.

7679

CSO: 3348/457

INCOMEX DIRECTOR EXPLAINS RESTRICTIONS ON IMPORTS

Bogota EL TIEMPO in Spanish 2 Jun 84 p 9-A

[Text] "Lack of understanding and nervousness" in the business community about the import restriction policy were criticized by the director of INCOMEX [Colombian Foreign Trade Institute], Gustavo Tobon Londono, when reporting that four trade agreements for a barter system with four countries have been approved.

Tobon Londono urged the private sector to understand the nation's economic situation, and the issue of the availability of foreign currency, and to stop applying pressure concerning applications for import licenses, but rather to hold their imports down to what is strictly necessary.

In a conversation with EL TIEMPO he spoke of the development of a trade system based on barter, and of Colombia's position in the field of imports.

On the first topic, he said that four agreements have been approved to date. They are with the following countries: the USSR, for the exchange of bananas for heavy-duty vehicles; with Japan, for sesame seed in exchange for heavy-duty vehicles; with Brazil for coal used for heating in exchange for sheet steel; and with Holland, for leather manufactured goods in exchange for machinery and equipment. The monetary amount and volume of this type of trade have were not specified, but he said they will be quite substantial.

He explained that the system is an attempt to export without reimbursement and to import without payment. It will be used with different countries throughout the world. He said it will help us to protect our balance of payments and to stimulate exports different from our traditional products.

"In our case," he said, "it is not just a simple substitution of imports being carried out by traditional mechanisms to generate foreign currency, but it is a matter of stimulating new efforts, sales of new products, and moving into new markets."

He warned that the government will not allow or authorize unnecessary exports by means of this system. "We can not make that mistake," he added.

The INCOMEX director said that applications for products to be covered by the system will be studied on a case-by-case basis, though he admitted that the government does not have a specific list of these items. "We are in the process of adjusting and setting up the mechanism," he explained.

Imports

As for difficulties reported by a number of sectors in private industry, caused by the closing off of imports, Tobon Londono answered those complaints fully.

"The problem is not a matter of flexibility or slowness on the part of INCOMEX, but rather of adjusting a process, which came from the free import system, to fit a prior licensing system. That, combined with the availability of foreign currency in Colombia, which is quite limited, has caused our import applications to pile up, but we are studying and expediting those related to raw materials. In May the percentage of licenses approved in that sector was especially high," he added.

He commented that contacts with the subcommission on imports, on which spokesmen from the private sector are represented, "are attempting to adjust mechanisms to help us find urgent cases. To do this, we have asked that the business community send us these applications through their industry federations in order to avoid congestion."

He added that the government does understand that some businesses are having difficulties. It will do everything possible to solve these problems. "The important thing is that in order to ration and approve what is strictly necessary, we must avoid fear on the part of businessmen, so that they will ease up somewhat on their import pressure. If that happens, we will be able to program rationally for what the country really needs."

He said that it is hard for the government to know which cases are most urgent, because for each businessman or industry, "everything is urgent."

Lack of Foresight?

Some private sector spokesmen claim that the government lacked foresight, in not having a list of those essential goods which the nation needs to import. In response to this charge, the official admitted that there is no such list, but said that INCOMEX does have a list of priority raw materials. He said they are working with the industry federation leaders, trying to establish those priorities.

He asked the private sector to tell the government which cases are urgent, with certainty that they will be heeded.

He repeated that the processing of licenses is not a problem of time, but the problem is actually that there is a quota on the use of foreign currency. "When we have to control and reduce a deficit, licenses will logically tend to pile up, and their approval will be delayed. We have to realize that rationing does entail greater delays in obtaining approvals."

He reported that in May the approximate level of imports approved amounted to US \$235 million, and he predicted that in the following months the amount will be similar. As of 18 May, drafts had been made in the amount of US \$1.239 billion.

Tobon Londono said that we must dispel the "lack of understanding and nervousness" which are handicapping some sectors of production. "We are ready to work with everyone, and to reach an agreement with the industry federations. It is not the government's intention to paralyze business," he emphasized.

In the case of periodicals, he announced for next week a meeting with newspaper directors in order to program the flow of imports they need.

He confirmed that INCOMEX is being reorganized, and that staff levels will be changed, by transferring employees from some sections to Bogota, in order to strengthen the department of operations and the imports board. That does not mean that licenses will no longer continue to be approved in the provinces, he said.

He referred to the actions of middlemen and asked importers to refrain from using them. "Those who do so may find themselves entangled in a penal process," he warned, and explained that to date no charges have been filed against INCOMEX officials acting as "agents" for middlemen.

On cases of overbilling in imports, he said that reports on this topic have been sent to the Superintendency of Exchange Control. He stated that, with the exception of materials used for drugs, no other cases have arisen, although the entire line of imports is being studied.

In conclusion, he said he felt that the restrictions on imports and the increase in exports will enable Colombia to considerably reduce the deficit in its trade balance this year. He did not, however, cite any figures.

7679

CSO: 3348/457

RESULTS OF FIRST SCIENTIFIC PUBLIC OPINION FORUM REPORTED

Havana CUBA SOCIALISTA in Spanish Mar-May 84 pp 136-143

[Article by Francisco Javier Rodriguez, head of the National Public Opinion Studies Team group: "Scientific Activities--First Scientific Public Opinion Forum"; for related material see JPRS-LAM-84-008 16 January 84 pp 50-55]

[Text] The First Scientific Forum, on the theme "importance of public opinion surveys in perfecting party ideological work," was held at the Olo Pantoja Provincial Party School in the city of Havana at the end of November, 1983.

This event, which was attended by more than 250 experts in various branches of the social sciences affiliated with the Cuban Academy of Sciences, the Nico Lopez Higher Party School, the universities in this country and other scientific and research institutions, was divided into 6 working commissions which discussed 84 reports pertaining to theory and research work on public opinion in socialism, the influence of the mass media on the population, the educational work of the new generations, scientific-atheistic work with the masses, and other subjects of great interest in terms of the ideological work of the party. The fact that about 80 percent of the reports submitted dealt directly with concrete problems in the social practice of our country is noteworthy.

Humberto Rodriguez Manso, director of the National Public Opinion Studies Team, spoke to the participants when he inaugurated the forum.

He said that this event comes within the framework of the tasks which have been undertaken in recent years with a view to development of the study of public opinion in our country, as one of the links in ideological work.

He stressed that public opinion is part of the spiritual life of society, reflecting all or almost all aspects of social life, such that investigation of it, organized on a scientific basis, constitutes an indicator showing the changes occurring among the people in connection with their material and spiritual life, as well as the broad range of needs, concerns and feelings of the popular masses.

He discussed in detail the important role played by public opinion studies under socialism, noting that it makes it possible to clarify the various

problems occurring in economic activity and to establish the level of the development of the political and ideological awareness achieved by the people. It can serve as one of the tools for expressing socialist democracy, as well as a basic means of strengthening the links between the party and the masses. He further commented that the results of public opinion studies provide an important indicator for the establishment of the efficiency of party ideological work.

Rodriguez Manso spoke of the goals sought through the holding of a scientific event of this nature, stressing in turn the constant attention devoted by the party to the views, concerns and demands of the people.

Themes of great importance were discussed at the forum. Commission No 1, which dealt with "the work and training of specialists and activists in gathering useful and accurate information for the understanding of the concerns of the people," discussed 15 reports related to the training of all the personnel involved in the study of public opinion, the stability and specialization of activists in this work field, as well as means and methods of studying the socio-economic problems revealed through the concerns and views of the people.

Commission No 2 dealt with "the main lines of work in the study of public opinion." During its sessions, 12 reports were analyzed. Among other matters, they dealt with the experience of some provincial party committees, the link between public opinion studies and the ideological work of the party, existing difficulties and measures to be adopted for the perfecting of this work, as well as interesting aspects of a theoretical and practical nature related to forming and developing the economic awareness of our people.

Commission No 3 analyzed the "scientific nature of public opinion studies." In the discussion of the 16 reports submitted, emphasis was placed on the need to develop new research techniques and methods, such as automatic computer processing of the information, the introduction of statistical techniques and mathematical models in public opinion research and forecasting, the use of video cassettes as a social research technique, etc.

Commission No 4, which took up the theme "influence of the mass media on the population," discussed 17 reports submitted, which dealt with the importance and role of radio and television in the political-ideological training of the new generation, some problems in connection with the conduct and current preferences of radio and television audiences, direct links between the communications media and the masses as feedback methods, and the interrelations between the mass media and public opinion research.

"The development of the political, juridical, moral and aesthetic awareness of young people" was the subject discussed by Commission No 5. In the 11 reports analyzed, the role of scientific research on youth was discussed in detail. The advances made in the development of the awareness of our young people were stressed, and the influences exerted on their education by various social factors such as youth organizations, the family, the mass media, etc. were identified.

The eight reports discussed by Commission No 6 fell within the context of the theme "special characteristics of religious practice in our country and scientific-atheistic work." During the discussions, aspects of the essence and structure of religion, the influence of economic, political and social changes on religious activity, and also current problems in scientific materialist propaganda were dealt with.

A round table organized by the Faculty of Psychology at the University of Havana concluded the work of the scientific forum. The subject taken up at the plenary session had to do with "the analysis of content, its various sources and forms of evaluation in public opinion work."

As a result of the analysis of the reports and the suggestions of the delegates during the work of the commissions, the advances seen in opinion studies pertaining to our people were noted, and the efforts and tasks which had been undertaken, with a view to the perfecting of research work and overcoming the theoretical and practical difficulties commonly encountered in a social phenomenon as complex as public opinion were assessed.

A total of 63 recommendations were approved by the participants in the forum, all of them designed to ensure that public opinion studies become an invaluable tool of party work, through the introduction of more advanced methods and techniques of social research, making the forecasting of the problems and concerns of the popular masses possible.

In this connection, the participants in the forum came out in favor of:

--Systematizing the Marxist-Leninist theoretical-methodological training of specialists involved in one way or another in public opinion studies.

--Structuring all of the sources reflecting public opinion in an integral analysis system, with a view to obtaining more representative and accurate information on what our people think. This system would cover all of the expressions of daily life, in the reports submitted to the People's Government and the workers' assemblies, letters from the people to the press organs, etc.

--Working to ensure even greater reliance by the party on all levels on the results of concrete sociological research, which contributes, to one degree or another, to establishing the causes of practical problems, as well as the links among the most varied phenomena in social life.

--Continuing the effort to achieve greater flexibility, through the various factors contributing in each case, in the adoption of measures designed to provide a timely response, directly or indirectly, to the opinion situations expressed by the masses, which will contribute substantially to the stimulation of this work and will have a positive effect on public opinion.

--Continuing the work of developing the automatic data processing systems and the use of mathematical models in the study and forecasting of Cuban public opinion.

--Designing a scheme for developing this discipline, the implementation of which in the medium time range will guarantee the achievement of a high level of efficiency in the guidance, study and forecasting of our public opinion.

--Undertaking studies with a view to evaluating the audience levels and radio and television program preferences as well as the influence exerted by these mass communications media on the population.

--Working on the socio-psychological characterization of our young people, in order to establish the qualities typical of this socio-democratic group which is of such importance to the building of the new society.

--Intensifying studies on the family, youth groups and other social factors contributing to the communist training of our children and youth.

--Continuing to promote the undertaking of research related to the social and scientific advance of our country in order thereby to understand the changes occurring in the social awareness and conduct of our people.

The closing session of this event was addressed by Antonio Perez Herrero, substitute member of the political bureau and member of the secretariat of the Central Committee of the Communist Party of Cuba.

Comrade Perez Herrero said that the party allocates great significance to the study of public opinion, because the leadership of society and the successful execution of the tasks of political-ideological education of the masses are impossible today without a knowledge of the feelings of the citizenry, without an accurate determination of how the specific problems of socialist building are evidenced in public opinion, reflecting the capacity of the people to understand them and their readiness to deal with them.

He said that studying public opinion makes it possible to master a broad spectrum of phenomena, an understanding of which is of vital importance in order to guide our society and, above all, in order to satisfy the material and spiritual needs of the people. This is an expression, he stressed, of the Leninist principle according to which "we can only direct if we accurately reflect what the people think."

He then went on to speak of public opinion studies in the capitalist world, in which the seeming objectivity of the results conceals various manipulative techniques designed to make people think and act in a preestablished manner.

By way of example, he recalled the efforts of the Yankee administration to create a favorable opinion in the American public regarding the criminal invasion of Grenada, using methods reminiscent of Goebbels and having recourse to the basest kind of jingoism and chauvinism, with the circulation by the Yankee propaganda machine of a string of lies, 19 of which were denied by Comrade Fidel Castro. Nothing could be dirtier, more wretched or more revealing of the fascist nature of the Reagan government than this crude manipulation of public opinion, Perez Herrero commented.

He stressed that the development of this event and the resulting experience reflect the maturity which the public opinion teams have gradually been acquiring, as well as providing proof of the desire for improvement of this consistent, enthusiastic and skilled group which is resolutely facing up to the difficulties which are still hindering the full development of their activity.

These teams, which act as virtual antennas for receiving public opinion, are of importance to our truly strategic judgment, the development of which will make it possible to use their assessments to adopt important decisions pertaining to ideological work.

Later on, he emphasized that the Marxist-Leninist method teaches us that the analysis of social phenomena must be carried out on a multilateral basis, dealing with all its links and relationships as well as its full complexity. This principle should guide the research on public opinion, and in this connection, the sources of information should be broadened in public opinion studies, involving all the ways in which the feelings and the will of the people are evidenced.

We should place special stress on an analysis of the resolutions of the base party organizations, the contents of which reflect the concerns of the militants or their assessment of the problems and views of the workers on matters which affect or interest them.

This is a source of information which offers the advantage of being the product of collective analysis by communists concerned with the satisfaction of the needs of our people and its working class.

Antonio Perez Herrero said that in the realm of social research, the National Public Opinion Studies Team and its provincial organs have achieved certain successes in these recent years. The studies and research are better linked with party work, especially ideological tasks. The control of social research involving consultation of the people has been standardized. Studies making it possible to improve the efficiency of some means and methods of party work have been made, and answers have been provided to certain problems in implementing measures, thus contributing to the adaptation of plans and tasks on the basis of timely reports to the party leadership.

He noted that despite these achievements, it is necessary to advance to the point where the party is fully provided with a research apparatus capable of dealing with the complex tasks dictated by economic construction and the guidance of socio-political processes, the need to satisfy the material and spiritual requirements of the people more fully, and the active participation of the masses in social life.

For example, the studies pertaining to the efficiency of the work of party instruction, the need for socio-political literature, the efficiency of the mass communications media, the continuing themes and propaganda campaigns, among other subjects, are becoming increasingly essential.

He stated that the Marxist-Leninist advancement of public opinion personnel must be a constant factor guaranteeing the proper approach to and correct solution of the varied and complex problems posed by modern social development, and the subsequent and unrelenting advance toward the building of a new society in conscious fashion and based on its guiding laws.

Thus the activity of this apparatus will be channeled along scientific paths which will allow it to become a research center on the high level of skill to which we aspire.

Finally, he emphasized the fact that this scientific forum represents a point of departure toward ever nobler undertakings which the National Public Opinion Studies Team will have to approach with greater efficiency and rigor, as befits their status as an auxiliary apparatus to the party, the eminently political-ideological management of which can contribute substantially to the success of party work.

5157

CSO: 3248/683

THEFT IN FACTORIES BLAMED ON NEGLIGENT MANAGERS

Havana TRABAJADORES in Spanish 25 Apr 84 p 4

[Article by Caridad Lafita]

[Text] The daily work in a collective gradually shapes its reputation. The struggle against deficiencies and individual principles guarantee a good working climate and constitute a premise for development. When the reins are loosened and weaknesses surface in the face of negative attitude, the interests of the collective are harmed. If the situation is not confronted in time, it can cause deterioration or provoke its disintegration.

Let's take an example: In a [collective] center there are thefts of raw materials and products, and specific measures must be adopted to eliminate and prevent these criminal acts.

No one is surprised at the fact that a large part of the activity of this type that takes place in the collectives happens because of the irresponsible attitude of a boss who very likely violates the socialist administrative principles by acting negligently and failing to adopt measures that would prevent these situations.

These cases of negligence are observed in the lack of control, lack of requirements and other factors that precipitate conditions favorable for criminal action and provide thieves with the opportunity to act and even to justify their criminal acts in the eyes of the people around them.

The labor collective, that group that faces daily the completion of its productive tasks and the education of its members, is the force capable of eradicating negligence in the economic activity and the deficiencies that hinder its advancement.

Even though socialism is an advanced system, ideas from the capitalist past still remain in the consciousness and in the behavior of some men.

It is logical that the level of our material technical base cannot yet satisfy all the material and cultural needs of the individual. The phenomena caused by the intrinsic psychology of private property--speculation, theft, squandering of resources, bribery, etc.--do not disappear immediately.

During the period of construction of socialism there are difficulties, and as a result the needs for housing, public services and other things are not completely satisfied, thus generating in some people dissatisfactions that promote retrogressive ideas: dishonesty, extortion, greed and envy.

Smoothing the way for these outmoded ideas are the infringement of socialist rules, the nonfulfillment of the principles of socialist democracy, administrative abuses, mistakes in production plans. In short a whole list of violations which, if not dealt with promptly, encourage the perpetration of economic offenses.

In the central report to the 15th congress, Veiga talked about this situation, pointing out that the few unscrupulous elements who try to get money the easy way by engaging in all sorts of criminal activities have suffered a setback due to the exemplary tenacity of the country's organizations in charge of combating them and sanctioning them severely, to a greater control of economic measures and to the angry rejection by our workers.

And he emphasized that we cannot let our guard down; in our society there still subsist some of those individuals whose attitudes contrast with the sobriety, austerity, generosity and fighting spirit of our working people.

For this reason, and as a result of the firmly expressed determination of our workers in their discussion assemblies on the themes of congress Veiga called on the unions to continue with renewed energy the ruthless war against parasites, embezzlers and all the causes and conditions that support this negative behavior.

And the collective has to confront this with solidarity. It is logical that these negative attitudes cannot be overcome without adequate ideological and juridical education of the workers, without increasing their level of culture and their knowledge of the laws and regulations of socialist coexistence.

In the struggle against the retrogressive ideas that harm us, the role of the labor collective is the most important because these manifestations are alien to its objectives. [It must] eliminate all negative tendencies, create the conditions that strengthen communist ideals in the consciousness and the behaviour and give impetus to the multifaceted development of the worker.

9907

CSO: 3248/662

CASA DE LAS AMERICAS SALUTES MEMORY OF COLOMBIA'S GAITAN

Havana GRANMA in Spanish 26 Apr 84 p 3

[Article by Rosa Elvira Pelaez: "Carlos Rafael Rodriguez, Armando Hart and Mariano Rodriguez Attend Exposition and Presentation of Book 'El Bogotazo' Sponsored by Casa de las Americas"]

[Text] Gaitan will play in Colombia the role that Sandino played in Nicaragua, predicted Gloria Gaitan, daughter of the popular Colombian leader murdered in 1948, upon inaugurating an exposition last night in the Casa de las Americas as part of the ceremony celebrating the 25th anniversary of the institution.

The book represents a historical view of Colombia through the great struggles engaged in by the people in this century, and it is justly called "Gaitan: Testimony of a People."

The ceremony, sponsored by Casa de las Americas, began with the presentation of the book "El Bogotazo: Recollection of Forgetfulness," by the Colombian writer and newspaperman, Arturo Alape, who was a member of the panel.

Carlos Rafael Rodriguez, vice president of the Council of State, and Armando Hart, minister of culture, were present at the ceremony.

Hundreds of persons attended this ceremony, a renewed demonstration of solidarity among the people, which was also attended by Mario Rodriguez, president of Casa de las Americas, and other members of the Permanent Committee for the Meeting of Intellectuals Favoring Sovereignty for the Latin American Countries.

Manuel Galich, Antonio Nunez Jimenez, Alfredo Guevara and the author took part in a discussion of the book and of the meaning of the activities of April 1948 in Colombia, which decisively influenced the contemporary political history of the country.

Galich talked about the situation in Latin America at that time and stressed that Jorge Eliecer Gaitan was a proven political leader. For his part, Nunez Jimenez, the writer of the book's prologue, pointed out that this is an exemplary work of testimony in the historiography of Latin America, and recalled

also that Commander-in-Chief Fidel Castro, who was a witness to the events (he was then a student leader), gave testimony of great value, stimulated not only by questions from Jalape but also by the valuable documentation that the writer had gathered.

A witness, along with Fidel, of the events of 9 April 1948 in Bogota, Alfredo Guevara recalled the days when they were young students and worked at organizing a Latin American conference, and commented that already at that time Fidel excelled for his ideas, his feelings for Latin America and his firm stand on the side of the people's interests. Personally, Guevara experienced the fall of a great leader, Gaitan, and the birth of the Latin American dimension of another, Fidel, in what turned out to be the passing of the torch of the struggle.

Arturo Alape gave details about the materialization of the book, the idea for which came from the bosom of Casa de las Americas in 1975, when he came to Havana as a judge in the Casa Prize contest.

This work, he said, refreshes people's memory about the participants in that event and breaks the silence surrounding Colombia's contemporary political and social history prior to the decade of the 1960's. Everything in the country changed after the Bogotazo, he added.

Visibly moved, Gloria Gaitan thanked the institution for including this ceremony in its 25th anniversary celebration and recalled her first visit to Cuba in July 1959, invited by Casa. She said that, thanks to Cuba, we are restoring Gaitan's figure to its real dimension.

She referred to the struggle started by her father for a social change in favor of the people, and stated that worse than his murder by the state is the fact that the Columbian oligarchy wanted to murder him by distorting his image and taking advantage of this for its own purposes.

The exposition "Gaitan: testimony of a people," prepared by the Cultural Center Jorge Eliecer Gaitan, can be seen on the third floor of the Casa de las Americas.

9907

CSO: 3248/662

PARTIES ACCUSE SECURITY FORCES OF INTERFERENCE

Guatemala City EL GRAFICO in Spanish 22 May 84 p 8

[Text] The Interior Ministry will investigate the searches of political parties' [offices] and printshops where their campaign material is published, in order to establish if the reports are a matter of publicity or are instead misunderstandings on the part of the security forces.

This was announced this morning by the head of that office, Gustavo Adolfo Lopez Sandoval, who it seems has already received the official reports from the affected organizations.

One of the first public reports concerned the apprehension of a candidate to deputy to the Constituent Assembly. On that occasion Lionel Sisniega Otero, leader of the Anticommunist Unification Party (PUA), called the detention of a person who enjoys immunity a "kidnapping" and not an apprehension, and especially if it takes place at nighttime.

Shortly afterwards, the Civic Democratic Front (FCD), whose secretary general is Danilo Barillas Rodriguez, reported that the National Police Department of Technical Investigations (DIT) agents had searched the printshop where the campaign materials were being made for Enrique Guillen Funes, candidate to the Constituent Assembly for Huehuetenango.

The FCD accused the security forces of having carried off several printing presses, as well as all of candidate Guillen Funes' campaign material.

Lastly, the Committee for the Formation of the Civic Revolutionary Alliance Party, which is led by Luis Hurtado Aguilar, reported its case. Their headquarters were also searched allegedly by agents of the authorities who moreover made veiled threats against one of its leaders.

The government official said he knew of such facts "through press reports." Nevertheless, the FCD last week presented a formal report and a petition that the case affecting them be investigated and the material seized be returned to them, as well as the machines which were taken from the printshop.

CSO: 3248/682

COMMENT ON DEBT FROM LABOR, BUSINESS, POLITICAL SPHERES

Labor Supports Debtors' Club

Mexico City EXCELSIOR in Spanish 22 May 84 p 15-A

[Text] The initiative on the part of Brazil, Argentina, Colombia and Mexico to form a bloc of debtor countries was received favorably by the Labor Congress [CT], the PRI [Institutional Revolutionary Party] labor representative group, and the Confederation of Mexican Workers (CTM), as well as by several labor forums at which it was claimed that neither PRI nor any international organization can force a country to negotiate its debt unilaterally.

Mario Martinez D'Ector, secretary of CT's Economic Commission, and Juan Jose Osorio Palacios, commented that this expedient is a necessity which the rich countries and international banks must understand.

Martinez D'Ector added: "It will be important now to have the interest rates in these countries set, and always kept below Great Britain's Lybor [sic] and the United States' prime rate.

He claimed that it was necessary for "the creditor nations and the international banking agencies to monitor the loans to the developing countries, to make certain that they are used as agreed, and that corruption is avoided."

The national CTM leader, Fidel Velazquez, for his part, remarked that the search for mutual criteria is aimed at finding better payments terms and not at refusing to do so.

The CNC [National Peasant Confederation] leader rejected the proposition that the purpose of forming a front of debtor countries is to avoid paying the debts, but emphasized: "I realize that the countries associated with the initiative feel the need to act jointly, with a single criterion. They can achieve more all together than they can in isolation."

When the activity of the forum, organized by the National Association of Economists and the Labor Congress, began yesterday, all the speakers and participants voiced widespread support for the formation of a debtors' club that would resolutely confront the banking consortiums, particularly those of the United States, which are raising interest rates as they please.

The reporters were: Raul Moreno Vonche, adviser to the National Committee of the Revolutionary Labor Confederation (COR); and the leader of the Telephone Workers Union of the Mexican Republic, Francisco Hernandez Juarez; and those who served as commentators were: Manuel Camacho Gaos, undersecretary for regional development of the SPP [Secretariat of Planning and Budget]; the coordinator of PSUM's [Unified Socialist Party of Mexico] congressional faction, Rolando Cordera; Gustavo Alarcon, from the Secretariat of Labor; Clara Jusidman, from the SPP; and Alberto Valenzuela, from CONCAMIN [Confederation of Industrial Chambers]. They declared:

"Neither the International Monetary Fund nor any other international agency can force a country to negotiate its debt unilaterally. Therefore, there is total, resolute support for the creation of a debtors' club initiated by Brazil, Mexico, Colombia and Argentina."

At the opening of the Workers and Economy Forum, the participants maintained that, when it has been shown in Mexico that the wage restraints have not been effective even for curbing inflation, there is no reason not to improve the workers' income.

Business Opposes Debtors' Organization

Mexico City EXCELSIOR in Spanish 24 May 84 pp 4-A, 32-A

[Text] At the present time, it is inadvisable to establish a club of debtor countries, because of the diversity of each one's commitments abroad and because, insofar as we are concerned, it would destabilize the economy further still. Furthermore, in view of our vulnerability with respect to foreign countries, the creditor nations might even block our imports of the input and food that we need at present.

Agreeing on the foregoing were Fernando Perez Jimenez and Jose Maria Alverde Goya, vice presidents of Comparmex and Concanaco, respectively, who urged the authorities to seek individual negotiations with the international financial institutions "so that we may be given a longer period in which to pay off our commitments."

When queried separately, the business leaders expressed the view that, with the constraining adjustments in United States interest rates, the debts have become a rather heavy burden on our economy; and, as Perez Jimenez stressed: "For this reason the country's recovery appears to require a longer period of time than anticipated."

The vice president of Comparmex remarked that the establishment of a club "would not be at all feasible, because we would only destabilize the country more and it would prove worse in the long run, because Mexico has neither the technology nor the goods that industry cannot provide and that are being brought in from abroad now; and they could be blocked at any time if a position of this kind were assumed."

Fernando Perez Jimenez noted that the proper thing is "to seek an extension of the payments and procure up to 15 years to meet the commitments, with a 6-year grace period."

He emphasized that we must realize that our country is not self-sufficient with respect to food, "and for this reason it finds it necessary to resort to other nations for supplies of essential items. Thus, we are forced to negotiate with them and not to declare a moratorium on payments, as has been hinted."

Meanwhile, Jose Ma. Alverde, speaking on behalf of Concanaco, commented that each nation must meet its own commitments, because each has its own distinct features"; and he said that if the United States' president's statements are taken seriously, "perhaps international interest rates will decline over the short term."

He denied that the rise in interest rates is a vital part of the nations' debt problems, "because in the case of Mexico" it was the government itself and private individuals who negotiated individually on the handling of these loans, and they already knew of some changes that would occur in the international economies.

International Financial System Lambasted

Mexico City PROCESO in Spanish No 395 28 May 84 pp 37-38

[Heberto Castillo commentary: "Moratorium Inevitable"]

[Text] Few observers of the national situation would doubt that the fidelity of the Third World governments to the schemes of the international banks does not pay off. Despite the fact that they abide by the regulations set by the International Monetary Fund, there is not the slightest sign of reciprocity. Quite the contrary.

The letter of intent sent by MMH to the IMF was followed by other documents. Every 6 months, the results are analyzed jointly. Unfortunately, for over 2 years there has been (at least) a joint government between the IMF and the PRI [Institutional Revolutionary Party]. The promised reduction in the budget deficit was made stubbornly, without any regard for the fact that it would cause sacrifices to the workers as never before. Wages were frozen, price controls were lifted, the control of exchange established in 1982 was cancelled, the doors were opened wide for foreign investment and the payment of the debt was adopted as a total alternative for emerging from the crisis. Paying before anything else seems to have been the government's slogan since 1 December 1982. The international bankers have repeatedly cited Mexico's willingness to pay. The secretary of finance has even been rewarded for these merits.

Those efforts have been to no avail; they will be to no avail. The international financial system is insatiable, and dimwitted.

We have pointed out on constant occasions that we have no solution other than the moratorium on the debt, call it what you will; this applies to Mexico and to the countries of the so-called Third World.

The paradoxical part of it is that there is no other solution for the international financial system either. The underdeveloped countries cannot pay the debt, not even the interest.

Despite this, Ronald Reagan's administration is exerting pressure. The interest rate on the loans has risen a point and a half in 2 months. In this way, they are choking small businessowners, as well as medium-sized ones. To the underdeveloped nations, this increase means an additional interest payment of about \$9 billion per year; and they were already paying \$135 billion in interest alone. In 1984, Mexico will be charged approximately \$13 billion for this item: 80 percent of its total oil exports.

The amount of the underdeveloped nations' foreign debt totals \$700 billion, which will be returned completely in 5 years of paying that interest, and they will be left owing the same amount. The international usury is obvious; and it is also obvious that now the poor nations need new loans to pay their debts. How absurd.

We have reached the abnormal situation whereby, in order for the creditor countries to be able to collect, they need to lend. They are being paid with the money that they lend.

But they are not stupid. It is clear what their game is. The exorbitant debt enables them to pave the way for the exploitation of the poor nations' natural resources. The oil of Mexico, Venezuela, Ecuador, Indonesia and other underdeveloped nations is being taken away from them. And there is not enough for them. A tragic example of this situation is Mexico and Venezuela.

The other nations are paying with other goods: wheat and meat in the case of Argentina; coffee, rubber and diamonds in the case of Brazil.

The Mexican Government has been unwilling to admit that it has no solution for paying the debt, that it will never be able to pay if unless it is paid in kind, by turning over more oil. Now, 1.65 million barrels per day are being exported. The ceiling that had been set has been surreptitiously exceeded. No more than 1.5 million barrels, it was said. The CIA's predictions, which were borne out religiously when Jorge Diaz Serrano headed PEMEX [Mexican Petroleum], were that Mexico could be selling about 3.5 million barrels by 1985. It is possible to do this. In that way, we would lose our oil without any benefit, except that of continuing to be included among the good payers, leading those disciplined to the commands of the International Monetary Fund.

But it has been proven repeatedly that one receives no consideration whatsoever for being faithful to the commands of the IMF.

There could not be a better payer than Mexico. The Mexican Government even cooperated in the maneuver of helping Argentina with \$100 million in order to deter its decision not to pay the debt. But the circumstances are such that, as we noted previously, the moratorium is coming anyway, out of necessity. A short time ago, Argentina, Brazil, Colombia and Mexico, spurred on by necessity, had to call a meeting of Latin American foreign ministers to "analyze initiatives and courses of action with which to cope with the foreign debt problem."

The developed nations will realize, they have no other recourse, the right of nations overexploited for decades to negotiate together on a problem which is not that of each nation, one which must be dealt with collectively, so that a rational solution may be found.

The Third World's foreign debt has one basic origin: With the underdeveloped nations historically assigned the role of exporters of raw materials, in order to procure foreign exchange with which to meet their requirements for manufactured products they suffered from constant trade balance deficits. The industrialized countries have always imposed the groundrules. They paid what they wished for our natural products. When some underdeveloped nations found means for pressuring and obtaining better prices for their products, the industrialized countries immediately took advantage of their technological lead (often military) to incline the situation in their own favor. The course of action was always the same: to raise the prices of the manufactured products that they were selling to the backward countries. The perpetual deficits had to be paid with borrowed money. This is the reiterated history of all the underdeveloped nations.

For at least 30 years, the statistics have shown that our countries (the backward ones) have increased their foreign debt year after year to the point where, during the past 10 years, the best business of the developed nations was that of arranging loans, not making investments.

The time came when the banks had to lend in order to be paid. And most of the countries lack sufficient exports to meet even the interest on the debt. The advanced countries, such as the U.S., impose variable interest rates at their whim. This cannot continue; it is physically impossible.

Actions such as that of the governments of Mexico, Argentina, Brazil and Colombia will arise and succeed. The only reproachable aspect of such action must be its tardiness; although in such matters the occasion is gaged subjectively. What is good is the fact that this action has been taken, and that it will (inevitably) lead to more concrete action.

The presidents of these nations have expressed irrefutable views: "The consecutive increases in interest rates, the prospect that further hikes will occur and the proliferation and intensity of the protectionist measures have created a gloomy picture for our countries and for the region as a whole."

Who can deny that it is detrimental to Latin America, which owes over \$350 billion, that, unilaterally, without further consideration, interest rates

should be raised by 1.5 percent in 2 months? This requires a payment (which calls to mind the imperial tribute) of \$4.75 billion more per year from our countries. Why?

The presidents of the four American governments give a reminder that they "have been the first to evince an effort to meet the financial commitments in terms compatible with the interest of the international community." And it is true. All of them have bent their policies to suit the IMF's orders. What have they received in exchange? Nothing from the developed nations, nothing from the world banks. On the contrary: they have caused very serious social tensions in their countries, poverty among the workers, unemployment, sacrifices for the intermediate sectors of the population: in short, threats to the political stability of the nations that they represent.

What are the risks of proceeding along the path of forming a front of debtor countries to negotiate the payment of the foreign debt jointly? It is claimed that the developed countries would take action against us. What kind? Mention is made of action ranging from commercial reprisals to military action.

It is unlikely that the latter will occur. There are a great many debtor nations. Now, there is a certain amount of timidity about acting jointly; but the backing of other nations will pour in. That phenomenon is evident now with the initiative of the four Latin American countries. Support has already been expressed for it by nations as unlike in their systems of government as Peru, Bolivia, Chile and Cuba.

Economic reprisals could come. But as soon as they stop supplying us with corn, beans, wheat and other food products, we know that there are large producers among the underdeveloped nations. We could intensify the commercial exchanges with those countries.

There might possibly be aggression in the area of the input necessary for industry. In this connection, there are other developed nations, those of the socialist world, interested in increasing commercial exchange with us. The underdeveloped countries also have industrial plants capable of meeting the demand for that input. Brazil, Argentina, India and China are some examples of this. The developed countries would not condemn their own multinationals established in our territories.

The possibility would be afforded of eliminating the three-sided trade of which we have been victims for many years. The developed countries buy our products at low prices to sell them already processed at high prices. They speculate with our resources. We could start a process of direct trade, possibly eliminating the dollar as common currency. Why not?

Although the initiative of Argentina, Brazil, Colombia and Mexico has emerged limited, aspiring only to achieving "longer periods of time," unfortunately transferring the debt to those coming afterward, progress can be made in the

action. The participation of more nations will offer less timid outlooks, more in keeping with our peoples' right to stop being exploited and to live in freedom.

The policy of circumstances and cycles such as that being carried out by the present government can pave the way for progress if it listens to the voice of the people and stops existing bent on satisfying the U.S. Government.

Living subject to the desires of the neighbor to the north has caused us the financial chaos that we are experiencing.

It is time to understand and meet the needs of the Mexican people, to recall the action of our forebears, who managed to confront powerful enemies: Morelos, Juarez, Cardenas. There is no other course of action for surmounting the present crisis and progressing in history.

When rulers lag behind or betray, peoples always find a way of getting ahead of them, and judging them sooner or later.

The Mexican people are no exception.

2909

CSO: 3248/670

CORRUPTION DISCOVERED IN 1983 SAID TO TOTAL 14 BILLION PESOS

Mexico City EXCELSIOR in Spanish 24 May 84 pp 1-A, 15-A

[Text] Between January and December 1983, the Office of the Attorney General of the Republic [PGR] discovered among 89 public servants of the past and present administrations instances of bribery, fraud, criminal associations, tax cheating, forging of documents, influence peddling, violations of the Banking Law, embezzlement, concealment, breach of trust and abusive exercise of offices, to the detriment of 29 departments, involving over 14 billion pesos.

The foregoing was learned from the statistics of the Office of the Attorney General of the Republic, wherein there appear names, positions, amounts and dates, in addition to the crimes committed by certain public servants.

The criminal action taken by the Office of the Attorney General of the Republic includes high-level officials, such as the former governor of Morelos, Armando Leon Bejarano; Jorge Diaz Serrano, former director of PEMEX [Mexican Petroleum]; Lidia Camarena Adame, former director of Mexican Fishing Products; Everardo Espino de la O., former director of the National Commission of the Sugar Industry; Roberto Martinez Vara Lopez Portillo, former official of the CNIA; Jorge Cendejas Quezada, former director of airports and auxiliary services; Leopoldo Ramirez Limon, former director of Monte de Piedad National; and Salomon Nahmad Sitton, former director of the National Indian Institute; among others.

Even Officials From the Attorney General's Office

Also included are bank managers, and even officials from the Office of the Attorney General of the Republic itself.

The departments affected by the unlawful conduct of some of their employees are primarily: Mexican Petroleum, followed by the Secretariat of Agriculture and Hydraulic Resources, the Federal Electricity Commission, Mexican Fishing Products, ISSSTE [Institute of Social Security and Services for Government Workers], Airports and Auxiliary Services, National Commission of the Sugar Industry, Mexican Tobacco, Mutual Fund; Aeromexico, Monte de Piedad National, National Indian Institute, Fonacot, and Small Business Promoters, among others.

The banks some of whose employees committed fraud or breach of trust are:

Bancerser, Banamex, Bancomer, Bank of the Northwest, Serfin Banking, Mexican Credit Bank, Latin Bank, Somex Banking, Banpais, Continental Banking, Multi-bank, Comremex and National Bank of Foreign Commerce.

According to the charges submitted to the Office of the Attorney General of the Republic, bribery and criminal association were committed, for which the following were remanded: Oscar Farias Ramos, Gregorio Aceves Dias, Benjamin Duron Bautista, Javier Limon Bautista, Armando Herrera Montoya, Rolando Heinz Martin, Maria Eugenia Alvarado Soto and July Villareal, on 13 February 1983. The amount of the fraud and bribery was 205,161,537.97 pesos.

Later, PEMEX filed another charge against Ignacio de Leon Martinez, Jesus Chavarria Garcia, Raul Cisneros Jimenez, Enrique Garcia Cuellar, Adolfo Lastra Andrade, Eduardo Barreda Rodriguez, Ricardo Garcia Beltran, Mario Sergio Gonzalez Garcia and Andres Garcia Ancira, accusing them of fraud and criminal association involving 5.36 billion pesos.

This investigation took place without anyone being held, before the second district judge of criminal proceedings, Jesus Arzate Hidalgo, and a warrant was issued for the arrest of those mentioned, on 9 March. The only one to be arrested was Eduardo Barreda Rodriguez, for whom an order for official imprisonment was issued.

On 17 August, the PGR sent to the Swiss judicial authorities a warrant for the capture of Ignacio de Leon Martinez and Jesus Chavarria, but they managed to escape. On 23 August, the freezing of their deposits in Swiss banks was accomplished.

Following that charge, PEMEX filed another complaint against Jorge Diaz Serrano, former director of that company, as an individual presumed guilty of fraud amounting to 5 billion pesos. Diaz Serrano was remanded to the ninth district judge of criminal proceedings in July 1983.

Subsequently, further charges were brought against him, this time for concealment of a fraud involving \$5,352,104.

The PEMEX employee Pedro Valdez Ortiz was also remanded for fraud and criminal association with damages to PEMEX amounting to 3 million pesos.

Later, Hector Garcia Hernandez, as secretary of education and social security of the STPRM [Trade Union of Petroleum Workers of the Mexican Republic], was accused of fraud involving over 900 million pesos, was arrested and is now incarcerated in the Southern Preventive Prison. The charge against him was made by the leader of the labor organization, Salvador Barragan Camacho.

The latest criminal act committed in PEMEX was exposed by the latter company, which accused Fernando Ramirez Carranza, chief of storage in Acapulco, Guerrero, of illegal trafficking and sale of high-test gasoline involving 20 million pesos.

The amounts defrauded and misappropriated in each instance involve several million pesos. The sums are alarming. The amount misappropriated by bank employees alone, since the nationalization of the banks, totals 457,278,298 pesos.

At the Federal Electricity Commission, Salvador Jaurregui Preciado, Juan de Dios Nunez Aguilar, Carlos Morales, Francisco Antonio Guzman Zaragoza and Carlos Lopez Portillo Paez committed fraud, forged documents and engaged in criminal association, with damages to that company amounting to 147,998,505 pesos.

Armando Leon Bejarano, former governor of Morelos, was accused of tax cheating in the amount of 5,580,122 pesos.

Everardo Espino de la O., former director of the National Commission of the Sugar Industry, was accused and remanded for embezzling 37,794,056 pesos.

Leopoldo Ramirez Limon, former director of Monte de Piedad National, was charged and remanded for the following crimes: fraud and similar crimes, embezzlement and breach of trust, with damages to Montepio amounting to 348,106,203 pesos.

Another employee to be remanded was Efrain Niembro Carsi, of the Secretariat of Agriculture and Hydraulic Resources, who committed fraud and bribery involving 36,158,327 pesos.

Also included is the former deputy and former director of Mexican Fishing Products, who was charged with fraud involving 10,326,095 pesos.

Jorge Zendejas Quezada, former director of airports and auxiliary services, was remanded as an individual presumed guilty of fraud and forging of documents in that entity, amounting to 10 million pesos.

Salomon Nahmad Sitton, former director of the National Indian Institute, was remanded for the crime of abusive exercise of office, to the detriment of the INI, amounting to 5,255,235 pesos.

The list of names and amounts is detailed in the statistics, reaching a total of 14.916 billion pesos.

It is also stated that 7.560 billion pesos in national currency was misappropriated.

2909

CSO: 3248/671

TORTILLA, BREAD PRICE INCREASES AUTHORIZED; BEAN PRICES CUT

Mexico City EXCELSIOR in Spanish 7 Jun 84 pp 1-A, 7-A

[Text] As the setting of differentiated prices and the reorganization of subsidies started, the Secretariat of Commerce and Industrial Development announced that, beginning today, tortilla prices will rise from 15.50 to 21 pesos per kilogram. The price of rolls is rising by 1 peso, and they will cost 3 pesos for a 70-gram unit; as for beans, the popular grades will undergo an average price reduction of 20 percent.

The department also announced new measures to heighten control and overseeing of prices, with the backing of the National Consumers Organization, the social sector's participation in the National Supply System and public sector investments to increase the production of staple consumer goods.

SECOFIN claimed that the foregoing is associated with collateral measures to support wages, as a result of the demands from the labor sector, and is connected with the recently concluded wage negotiations.

It was noted that all of this is a response to the demands of the country's organized workers. It was explained that the price of the corn which CONASUPO [National Company for Basic Commodities] is providing currently to the dough and tortilla industry covers only a fifth of the real value of the grain. This has caused recycling and diversion to uses other than human consumption, in addition to subsidies for tortillas given to sectors of the population that do not need them.

It was noted that the labor sector has underscored the need to make the subsidy for tortillas clear, applying it to the end product and not the raw material.

For this purpose, it has been ordered that the 15,000 commercial establishments in the public and social sector: CONASUPO stores, Liconsa dairies, and business firms of the state governments and social sector, sell tortillas in unlimited quantities this year.

The program will be started in the CONASUPO stores and those of the Federal District Department, and there will be a constant expansion until they cover all the establishments in the public and social sectors, over the next few weeks. For every kilogram of tortillas sold for 15.50 pesos, the government will allocate a subsidy of 34.50; which means that the real price of the product will be 50 pesos per kilo.

As for the purchase of tortillas in private business firms, the consumer will pay 21 pesos per kilogram, that is, 5.50 pesos more for each, with a subsidy of 29 pesos.

While the federal government is announcing the system for setting the differentiated price for white bread, and ensuring the supply of this product for popular consumption at guarantee prices to the agricultural producer, an adjustment is being made in the official price, setting it as 3 pesos per 70-gram unit. Today, the real price of rolls is 6 pesos, and there will be a 3-peso subsidy per unit.

The total subsidies given for bread and tortilla in 1984 amount to 180 billion pesos.

Beans

The federal government decided to cut the prices of its supplies of popular grade beans by an average of 20 percent. SECOFIN explained that, for this product, there is still the same intention of gradually setting differentiated prices for articles of popular consumption.

So, CONASUPO is offering the public 100,000 tons of beans. This offer at reduced prices may increase to the extent indicated by the demand, when there are sufficient reserves to ensure the national consumption, but after surpluses for export have been accounted for.

In the area of control and overseeing of prices, SECOFIN stressed the responsible, solidary backing from the Labor Congress which has promoted the National Consumers Organization. This will make it possible to reinforce the control and overseeing of prices and the supply of staple consumer goods. In addition addressing the workers' demands, SECOFIN will soon complete the bill for reforms and additions to the Federal Consumer Protection Law; and to apply it there will be cooperation between the Federal Consumer Attorney's Office and the National Consumer Institute.

With regard to the clarification of prices, the department will stipulate the provisions governing distributors and producers, based on the maximum sales prices shown on containers and packaging.

Items not included in this system will be subjected to research in order to select them when it is deemed necessary to include them in the compulsory price notation.

Investments

An investment of 3 billion pesos was decided upon to hasten the construction of a milk rehydrator in Tlahuac, in the Federal District. It will produce a million additional liters per day, thus ensuring the milk supply for the population with lower income.

Furthermore, the new flour producing plant in Teotihuacan, Mexico State, will be finished, and units will be set up in Durango and Guerrero, in which the participation of the tortilla-type corn industry will be fostered. All this will make it possible to continue the process of modernizing corn tortilla production.

2909

CSO: 3248/690

MANIFESTATIONS OF SECOND NATIONAL STRIKE IN 27 STATES

Mexico City EXCELSIOR in Spanish 6 Jun 84 p 35-A

[Text] With a crowd numbering slightly over 10,000 persons at the Plaza de la Constitucion in the afternoon, but with "the participation of over 1.5 million Mexicans in 27 states of the republic," the Second National Civic Strike was held yesterday, called by 150 independent organizations which protested against the government's austerity policy, the high cost of living, low wages for workers and the situation as a whole which is hurting the most needy classes.

Hector Laviada, head of the National Revolutionary Civic Association, said that the strike has disclosed that "the people's dissatisfaction is making headway in the country;" while the Employers Confederation of the Mexican Republic [COPARMEX] issued a press communique in which it criticized the strike and declared: "It is a provocation by socialist groups using the suffering and want that the people are undergoing which are due to the very socialist policies pursued by two previous regimes."

According to the first assessment made of the strike made last night by the organizers of the movement, it "was unified, democratic and simultaneous all over the country, and proved that the population is becoming increasingly dissatisfied with the austerity policy." But, it was claimed by Hector Laviada, along with Rosario Ibarra de Piedra, Reynaldo Rosas and Arturo Anguiano, leaders of the National Front Against Repression, PSUM [Unified Socialist Party of Mexico] and PRT [Revolutionary Workers Party], respectively, "Once again repression has appeared in its many forms, from the provocation and harassment itself to the kidnapping and holding for hours; and mention has been made of shootings among members of the organizing group."

Laviada claimed that striking "has been established in the Constitution itself and is based on the legitimate rights that we citizens have to express our dissatisfaction with the government's policy, which is more 'fund-oriented' than the International Monetary Fund"; adding that the Civic Popular Worker-Peasant Assembly "has come out in favor of the suspension of payments on the foreign debt and solidarity with Central America."

In support of the Civic Strike, "30 prisoners held a hunger strike in protest against the repression that has been used against them," stated Rosario Ibarra,

who at the same time disclosed that "several members of PRT, CNPA [National Coordinating Board for the Ayala Plan] and PSUM were abducted for several hours, and comrades Guadalupe Torres, Raul Lopez, Andres Morales and Luis Hermes have not shown up." He went on to say that those who were released "were made to sign blank sheets of paper, and their photographs and fingerprints were taken."

Ibarra also reported that, yesterday, "We again submitted the complete list of political disappearances to the Secretariat of Government."

Employers' Protest

In response to the expressions of dissatisfaction on the part of independent trade unions, the unemployed, housewives, doctors, nurses and students, COPARMEX stated: "These socialist groups wanted to create problems in order to destabilize the government, as was attempted by the Popular Preparatory Groups with the reprehensible incidents on May Day of this year."

19 Demonstrations in Valle de Mexico

The culmination of the Civic Strike was the gathering for five marches in the square, but during the day there were 19 demonstrations, the organizers claimed.

At 1100 hours in the morning, the United Front of Low Cost Housing Developments held a demonstration from the monument to the revolution to the Secretariats of Government, and Commerce and Industrial Development. They stopped for a few minutes at the former secretariat and demanded the appearance of missing persons, and at SECOFIN they asked Secretary Hector Hernandez to curb the abuses on the part of greedy merchants, while at the same time reproaching the authorities for not having done anything effective to end the abuses.

In the afternoon, the mobilizations started at 1600 hours. The first one was at the Advanced Normal School at Fresno and San Cosme, with 4,500 persons participating in it, including members of the National Coordinating Board of Educational Workers, students and employees of the National Polytechnic Institute and students from the Popular Preparatory institution.

A second march started 2 hours later from Doctor Rio de la Loza and Doctor Vertiz. It was called by the National Trade Union Coordinating Board, and employees of the Labor Secretariat; and this column was joined by the third one, which left from the monument to the revolution and was led by Evaristo Perez Arreola and Nicolas Olivos Cuellar. Its members were workers from UNAM [National Autonomous University of Mexico] and the High School Graduates School.

Employees of Pascual Soft Drinks, and Red Arrow bus line, workers from Althor Manufactures and workers laid off from the Metro completed the column.

At 2000 hours, another demonstration, organized by the Worker-Peasant Coordinating Board left the Semi-Circle to Juarez and headed for the Square of Three Cultures, voicing its dissatisfaction "at the economic situation that is becoming worse every day."

There was a demonstration which went to the SEP [Secretariat of Public Education] building, where dissident teachers remained for 2 hours on Argentina Street, demanding that the head of Mexico's educational policy, Jesus Reyes Heróles, receive a commission led by Teodoro Palomino, proposing a 100 percent increase in their salaries. The doors of the SEP were not opened.

The workers from UNAM also requested admittance by the Secretariat of Government on behalf of the missing persons, also demanding the release of the Number One Preparatory School student, Ruben Lopez Vargas.

In the square opposite the National Palace, the demonstrators arrived at 1950 hours, 15 minutes after the guard force of the Executive Branch headquarters had closed the doors of the palace. They later held separate rallies.

The DDF's [Federal District Department] Secretariat of Protection and Highways announced last night that the marches had taken place peacefully.

The Civic Strike in the Outlying Areas

In the outlying section of the country, the demonstrations backing the national civic strike took place primarily in the municipalities of the State of Mexico close to the Federal District and, in isolated fashion, in eight states of the republic, according to the reports from correspondents. Those who stopped work were mainly students and laborers.

In Nezahualcoyotl, Texcoco, Huizquilucan, Tlalnepantla, Naucalpan and Atizapan some factories stopped work and demonstrations were held on behalf of schools. In Ecatepec, the strike culminated in a demonstration and rally opposite the Cerro Gordo Administrative Center in which, according to a report from Gloria Perez and Manuel Lino, about 500 persons participated.

In Oaxaca, members of Local 22 of the SNTE [National Trade Union of Education Workers] held a march through the streets of the town and while passing by the CNTE [National Coordinating Board of Education Workers] offices, hurled rocks and bottles at the premises. There were no injuries, but some shots were fired into the air. In Pinotepa Nacional classes were stopped at several schools where the teachers were affiliated with the union's Revolutionary Vanguard group, according to the correspondents in that state, Felipe Sanchez and Felix Tomas Velasco.

Settlers, workers and students in Acapulco met in the Alvarez Park and protested against the high cost of living and the hunger suffered by the people. Correspondents in Guerrero, Enrique Diaz Clavel and Teofilo Arce, reported that the police surveillance in the port was redoubled to prevent excesses, and that in Iguala the demonstrators blocked the main streets.

In Pachuca, the bilingual teachers from Huasteca in Hidalgo gathered early to protest against the price increases for staple products, according to Rodolfo Wong; while the correspondent in Leon reported that 3,000 members of the Revolutionary Peasant Alliance gathered in the main square calling for a solution to many agricultural problems. In Celaya, teachers from Local 13 accused the SEP agent in Guanajuato, Francisco Lomeli, of being unfit and negligent.

In Mexicali, 200 persons gathered in the government center to protest against the high cost of living, while in Ensenada 100 took part in demonstrations. In Puebla, the university stopped its activity for an hour and, in the square, 100 peasants affiliated with PSUM protested over agricultural problems. In Saltillo, according to the correspondents' reports, there were 200 malcontents, and in Ciudad Obregon, they numbered 500.

In Tuxtla Gutierrez, 2,000 demonstrators blocked the highways of the municipalities of Reforma, Pichucalco, Comitán and Teopisca.

2909

CSO: 3248/689

RAILROAD WORKER UNIONS COMBINE TO FORM NEW GROUP

Mexico City ASI ES in Spanish 14 May 84 No 105 p 7

[Text] Culminating the unity of action on behalf of their contractual rights and conquests started last December, the Railroad Workers Labor Union Movement (MSF) and the Democratic Railroad Workers Front (FFD) merged into a single organization. Now the workers in the National Railroad System, combined in the Democratic Railroad Workers Front, are ready to fight against the mutilation of contracts, personnel readjustments, massive retirements and increased productivity which underlie the "modernization" of the railroads announced by the company.

After the director of National Railroads of Mexico (FNM), Eduardo A. Cota, announced the program to modernize the railroad industry, MSF and FFD, headed by Demetrio Vallejo Martinez and Norberto Vargas Ortiz, respectively, made a tour of all the company's work centers to inform the workers about the company's plans. The tour ended in April, and they immediately called a national assembly to analyze and discuss the "modernization" program, to determine the tactics for the struggle and to seek means for achieving unity among the democratic movements and groups existing within the Union of Railroad Workers of the Mexican Republic (STFRM). It took place on 5 and 6 May.

In the presence of the delegates from Acambaro, Aguascalientes, Apizaco, Cardenas, Chihuahua, Durango, Empalme, Guadalajara, Irapuato, Jalapa, Matias Romero, the Federal District, Monterrey, Puebla and San Luis Potosi, Demetrio Vallejo submitted a report on activities, and scored the anti-railroad worker policy of the "revolutionary" governments. Vallejo remarked: "During the 30 years of Porfirio rule, a 19,100-kilometer railroad network was built; on the other hand, during the 73 years of the post-revolutionary period, only 5,900 kilometers were constructed"; that is, if the 25,000 kilometers of track cited in the FNM modernization program does exist.

In contrast, he noted, over 200,000 kilometers of highways have been built, with the auto transportation lines competing unfairly with the railroads. And, if that were not enough, they have never even taking the trouble to "preserve the railroad network inherited from the time of Porfirio."

Vallejo claimed: "The deterioration of the railroads has not concerned the governments of the 'revolution' so long as they receive the dividends and

soft jobs from the auto transportation companies." This, compounded by the corruption fostered by the company officials and traditional heads of the STFRM, has given rise to the total neglect of the railroads, which are currently in a state of disaster.

Vallejo Martinez cited lack of spare parts for repairing locomotives and cars, and the absence of picks, shovels, bricklayer's hammers, nails, sheet metal and ties as the causes of frequent, serious derailments. In addition, he reported that buildings, offices, shops and sanitary facilities are in a state of total neglect; hence, the railroad industry, which could have been the life-line for cheap mass transportation in the country, has become "scrap."

The "modernization" program proposes to reduce the number of categories, to retire 30 percent of the personnel, to abolish jobs that are left vacant, to enlarge the districts covered by the trains, to incorporate into the regular schedules services that are currently performed on overtime, to adjust the collective contracts and to merge the various companies. The chief goal of the program is to raise the workers' productivity 50 percent.

Vallejo commented that, with the "modernization," they "are attempting to deceive the people; if they had called it 'rehabilitation,' it would be more credible." He also claimed that MDF and FFD are not opposed to the retirement of railroad workers who are already entitled to it, on the condition that it be with full pay and without abolishing jobs. He expressed opposition to the massive readjustment, favoring the 40-hour week with pay for 56; calling for the authorities, together with the workers, to devise a "rehabilitation" plan for the railroad system with sufficient investment.

At the assembly, the delegates charged that the leaders of the STFRM, advised by Luis Gomez Z., have already committed fraud in electing delegates to the National Contracting Convention. Local 5 from Chihuahua decided to demand of the STFRM national executive committee that it call a special assembly, and that each local elect a delegate representing every one of the five branches of work, for the purpose of devising a draft single contract, with the conquests that already exist in the different companies.

They also reported that, in various locals, such as the one in Chihuahua, the workers rejected the "modernization" program. They even told Gomez Z. that they had not approved of his being union adviser. And, finally, they decided on the unity between MSF and FFD, and prepared a platform for struggle.

A 40-hour week with pay for 56, construction of native components and spare parts, rejection of imports, an emergency pay hike applicable to retirees, a moving wage scale, a price freeze, demands for better social security service, eliminating the 15,000 pesos per month ceiling for retirement and defense of the collective contracts and the union are some points in the platform approved by the railroad workers. In addition, they decided to publish a report, and to hold a seminar to inform and orient all the locals and work centers, as well as to request a meeting with President Miguel de la Madrid, to state the problems to him.

Finally, the members of MSF and FFD decided to form a new organization, the Democratic Railroad Workers Movement, which would adopt the tradition of the National Railroad Workers Council and the groups which created it. The Local 12 Committee for Railroad Workers Defense, in Jalapa, decided to participate with MFD in unified action.

A national executive commission was appointed, comprised of Demetrio Vallejo, Norberto Vargas, Valentin Campa, Ignacio Avila, Juan Colin, Pedro Vazquez and Daniel Shomar; and they decided that EL RIELERO would be MFD's official organ. After a minute of silence in memory of Mario H. Hernandez and all the deceased, Valentin Campa brought the activity to a close.

"We have succeeded in creating a platform for struggle that the impetus of MFD can make possible; we are maintaining our cause of integrity; and we are encouraging the unity of the workers," declared the old railroad workers' leader; adding: "We still have the commitment to give an impetus to our resolutions at all work centers, and this will benefit the railroad workers' movement and Mexican trade unionism." With these comments Valentin Campa brought to a close a function that has assumed great significance: the unification of the most representative movements in the democratic railroad workers' trade union entity.

2909

CSO: 3248/690

PUBLIC EDUCATION SECRETARY REYES HEROLES ACCUSED OF FRAUD

Charges Involve Polytechnic Institute

Monterrey EL NORTE in Spanish 23 May 84 p 1-A

[Text] Mexico City, 22 May--Today, the secretary of public education, Jesus Reyes Heroles, was accused before the Secretariat of the Comptroller General of the Republic and the Office of the Attorney General of the Republic [PGR] of embezzling billions of pesos to the detriment of the federal treasury.

The accusers are engineer Lorenzo Gonzalez Meza, an instructor at the National Polytechnic Institute; Prof Javier Gomez Xolalpa, of the Superior Normal School; and Eulalio Rivas Hernandez and Jose Luis Gonzalez, of the National Autonomous University of Mexico.

The teachers made the complaint personally, "heeding the president's appeal for striving on behalf of the society's moral renewal."

They accuse Reyes Heroles of embezzlement allegedly committed in connection with the works projects that the department constructed or scheduled for the National Polytechnic Institute.

According to their statements, they base the charges on a report from experts whom they hired and paid to ascertain the actual value of the work carried out.

The charge was brought before the PGR's Directorate of Preliminary Investigations with number 024707.

They accused Reyes Heroles of lying in the report that he provided on what was accomplished from December 1982 to August 1983, which appears in the annexes of the presidential report of last September.

The accusers claimed that the secretary of education recorded projects that do not exist, considered others which are incomplete to have been finished, and "inflated" the costs of those which were carried out.

As an example, they noted that the annex of the Solar Energy Laboratory at the Center of Research and Advanced States is regarded as completed, and that the SEP [Secretariat of Public Education] has declared that from January to November

1982, in other words, during the previous regime, 13.8 million pesos were spent. And in just one month, December 1982, the investment amounted to 106.9 million pesos.

In this connection, the accusers calculate the embezzlement at exactly 106.9 million pesos; because they maintain that the project is unfinished.

Since 16 May, Secretary Jesus Reyes Heróles has been in Paris, where he is participating in the meetings of UNESCO's General Conference.

Nevertheless, it was learned that tomorrow an opinion will be released concerning that charge.

Denial by Reyes Heróles

Mexico City EXCELSIOR in Spanish 29 May 84 pp 4-A, 22-A

[Excerpt] Yesterday, upon his return from New York, the secretary of public education, Jesus Reyes Heróles, declared: "I have many faults, except that of being corrupt, and I bear no responsibility for anything relating to the works projects of the National Polytechnic Institute, which manages its own affairs."

Regarding the charge of embezzlement brought against him by several teachers, the head of the SEP remarked: "I did not sign any contract, nor am I a projects inspector."

He then noted: "I always ask that my qualities and my faults be stated 100 percent. If those attacks have been made in good faith, they are due to ignorance; or else they have been made in bad faith."

He explained: "The National Polytechnic Institute has its own board of directors and handles its affairs as best suits it, without the slightest interference from the SEP."

As for whether he has any political enemies, Reyes Heróles observed: "I don't think...I have not acted...I am unknown."

2909
CSO: 3248/671

BROADER COALITION POSSIBILITY NOTED

The Hague ANP NEWS BULLETIN in English 21 Jun 84 p 3

[Text] The Hague, 21 June--The resignation of the government of the Netherlands Antilles could lead to a broader based coalition which would facilitate the secession of Aruba from the six-island federation, Labour MP Jos van Kemenade said today.

Van Kemenade, chairman of the second chamber's Antilles affairs committee, was apparently referring to the possible inclusion of the Aruban MEP party in a future cabinet.

The MEP party, led by Betico Croes, has majority support on the island of Aruba. But Antilles Prime Minister Don Martina has rejected repeated calls by Croes to include the MEP in the Antilles government.

Van Kemenade said that in view of Aruba's scheduled secession from the Antilles on 1 January 1986, it was important that the government of the island federation should be as broadly based as possible.

The Labour MP said it was possible that the speaker of the Antilles parliament, Roy Markes, had sought the resignation of the government so that it could be replaced by one with wider support.

Markes precipitated the government's resignation by withdrawing his support on Tuesday and thus depriving it of its slender majority.

He did this after issuing an ultimatum for a government decision which the government missed by 15 minutes.

CSO: 3200/38

VISITING NETHERLANDS LABOR DELEGATION ISSUES HARSH APPRAISAL

Rotterdam NRC HANDELSBLAD in Dutch 22 May 84 p 2

/Text/ Utrecht, 22 May--The military in Suriname have become corrupt and the public is afraid of the Bouterse regime. Furthermore, the labor movement is threatened by a schism, among other things, because of participation by labor union representatives in the government of Premier Udenhout. This new Surinamese Government can perhaps still prevent the country from becoming a totalitarian state.

CNV /National Federation of Christian Workers in the Netherlands/ Deputy Chairman Henk Hofstede said this yesterday upon his return from a 10-day trip to Suriname. Together with two other members of the WVA /World Confederation of Labor/, the international labor confederation of which the CNV is a member, Hofstede investigated the struggle of the labor movement in Suriname. According to Hofstede the report the delegation is making for the WVA will not contain final conclusions, but only a reflection of the delegation's impressions. "It would not be right for us to sit in judgment."

According to the CNV deputy chairman, the Surinamese labor movement can freely decide about matters concerning businesses, such as collective bargaining agreements and organized strikes. However, on the national level the labor movement has to be careful with criticism; it could otherwise be accused of "destabilization."

In Suriname the delegation talked with union members, university personnel, the executive committees of the labor movements, the Committee for Christian Churches, Hindustani and Moslem persons, the attorney general, the ministers of education and labor, and the new premier. It also met with Bouterse for 2 hours. Hofstede found the commander relaxed. He says: "Bouterse is honestly convinced he is doing the right thing. He is driven."

Hofstede pleaded for a dialogue between the Dutch government and the Udenhout government. However, he was in some doubt whether the labor unions had joined that government in "full freedom" of choice. But in view of the economic situation in Suriname he did not want to condemn the step the labor movement had taken, even if it could lead

to a schism. In this connection, 14 of the 49 member unions threatened to quit the Mother League. There has been criticism in the Surinamese labor unions about participation in and support of the government by the unions.

The delegation also found that the military in Suriname are operating above the law. They decide who will be prosecuted, the laws that will be applied and those that will be ignored. Surinamese complained to the delegation that the military have become corrupt. The story goes that "the disease is still here, only the patient has changed."

According to Hofstede the economic situation in Suriname is very bad. The supply of foreign currency is almost exhausted. Some articles, such as bread, are not or are hardly available. The scarcity of those goods is creating great anxiety among the people.

10319

CSO: 3214/50

ARRESTED HINDUSTANI BUSINESSMAN NOW MISSING, MAY BE DEAD

Amsterdam DE TELEGRAAF in Dutch 1 May 84 pp 1,3

/Article by Arnold Burlage/

/Text/ Unconfirmed stories about a new massacre with an ever-growing number of victims among persons already missing for weeks keep coming out of Suriname. A yet unknown Hindustani businessman is also rumored to have been killed because of contacts with neighboring French Guyana where preparations for a military coup against Suriname were recently foiled.

The news about the new blood bath--two of its victims are mentioned by name; the Hindustani greengrocers, Girjanand Ganpat and Bhaan Dasasing, who are also regularly doing business in French Guyana--is creating great anxiety in the Surinamese society in our country.

Bodies

There are also unconfirmed reports from Paramaribo which mention that the bodies of two of Girjanand Ganpat's workers were found in the Suriname River; an unknown number of his workers was also arrested--probably eight--and are now missing.

The Foundation for Democracy and Human Rights in Surinamese in our country is being deluged by telephone calls from anxious family members and acquaintances of the persons who have disappeared. Girjanand Ganpat's family has for several weeks already been in tormenting uncertainty about the greengrocer's fate. To their questions the family received only the following reply: "We do not know where he was murdered."

Behind closed doors the above-mentioned executions are causing great problems in the Surinamese crisis cabinet. According to our sources, Premier Wim Udenhout was informed beforehand by the military government about the background of the disappearances.

In the government, with five out of nine ministers appointed by the army leadership, the two ministers from the labor movement and the two ministers from private enterprise refuse to accept responsibility for the incidents.

The four ministers are also not accepting responsibility for the growing economic deterioration in Suriname. In spite of ever more painful cutbacks the military announced a 100-man increase in the military police.

The military is now preparing the largest exercises ever held in Suriname. Our sources in the army report that they are meant to frighten the public and to stop demonstrations against the coming drastic tax measures and the obvious results of the bad economic situation.

10319

CSO: 3214/50

CARLOS ANDRES PEREZ ON ECONOMIC SITUATION, DEBTORS CLUB

Caracas EL NACIONAL in Spanish 22 May 84 p D-14

[Article by Antonio Reyes]

[Text] The crisis now affecting Venezuela cannot be compared even with the difficult situation the country experienced under the administration of Romulo Betancourt, in the opinion of former President Carlos Andres Perez, who arrived here this morning to attend graduation ceremonies at Rafael Urdaneta University, where 59 young people received their diplomas.

Perez initially answered a question relating to the possible terms of comparison between the administration of former President Luis Herrera and the early months of the administration of President Luisini, saying that they were very different times and that the country is now going through a very difficult phase, "the most difficult Venezuela has experienced in the past 25 years."

It cannot even be compared, he said, with the situation faced by the government during the 1960's when Romulo Betancourt was president.

He added that the dimensions of the economic problems and the size of the international debt bear no comparison with the problems of those times. "We are going through a real crisis, which will cost us great suffering," he said.

In answer to another question, Perez stressed that the crisis is the product of the disastrous economic policy experienced by Venezuelans during the past 5-year period.

During his informal chat with newsmen, who had been waiting since early in the morning in the corridors of Rafael Urdaneta University, Perez referred to progress made by the university, noting that the institution was a reflection of the moral and economic support that his government had granted during his 5-year term.

Regarding moral and material support given by the private sector to that institution, Perez was clear and categorical, indicating that the private sector had an obligation to give its support to development of higher education in the country.

"The government must certainly guarantee Venezuelan young people and children an education. For that reason, under my administration, not only were private universities founded but major economic support was provided them. The amount included in the budget of the Ministry of Education was the largest allocation that any government has had to help the development of universities in the private sector. Unfortunately, that policy of mine has not had the continuity it should have had.

"I believe that Rafael Urdaneta University is a good example and a good demonstration of what I am saying to you and of the need to establish an official policy that will stimulate and actively contribute to the expansion of private education in Venezuela."

Debtors Club

Regarding the summit conference sponsored by the governments of Mexico, Brazil, Colombia and Argentina in order to set up the debtors club, Perez agreed with the move and congratulated "the four presidents who joined their concern in order to take this historic step, which I have promoted for a long time.

"Naturally, it is not a matter of creating a club of debtors. The only club existing in the world is the club of creditors including the great Western powers, whose board of directors is the International Monetary Fund. That is the only club of creditors that exists," he said.

"Now then, what the four presidents have tried to do stands out because they are designing a new Latin America. President Alfonsin of Argentina, President Figueredo of Brazil, President Betancur of Colombia and President De La Madrid of Mexico have tried to express the determination and will of Latin America.

"They are not doing so to renegotiate the public debt, but in order to tell the industrialized world that in this interdependent world, we developing countries need the industrialized countries, the United States, Europe, Japan, and they also need us."

At the meeting of foreign and economic ministers to be called in keeping with the moves of the four presidents, there will be an attempt to establish an overall framework for negotiations. The industrialized countries must be told firmly and with dignity what we Latin Americans want and what we want to pay, that we are willing to pay, but under dignified conditions permitting us to keep our commitments on the debt for the development of our countries and to solve the social problems of our peoples, he added.

In other words, he said, we need terms and interest rates allowing us to have a rational percentage of the column of revenue from our exports in order to pay the debt.

The former president believes that if this does not happen, the underdeveloped countries will irremediably move toward catastrophe and a situation of confrontations.

He pointed out that these countries are going from moratorium to moratorium, and that from this chain of moratoriums we will move to a chain of successive payments and then will come the catastrophe.

"It's preferable for us to face our responsibility now and tell the industrialized countries what the conditions are under which we can service our debt.

"Just that increase of a point and a half in interest so far in 1984 means an increase of \$5.5 billion in the Latin American debt. Venezuela would have to increase its payments by \$350 million, Mexico by \$3 billion, Argentina \$700 million, and so on. This is intolerable."

11464

CSO: 3348/441

ADMINISTRATION'S ATTITUDE ON INTERNATIONAL ISSUES CRITICIZED

Caracas EL NACIONAL in Spanish 22 May 84 p D-18

[Article by Rosita Caldera]

[Text] Senator Pompeyo Marquez has harshly criticized what he calls the absence of international policy moves on the part of the government, as shown by the fact that there has been no response on the part of Venezuela or any important gesture by President Lusinchi concerning the rising interest rates, the proposal of shorter terms for paying the debt and the reclassification of Venezuela as a substandard country in order to exert political pressure on us.

While the reaction of national and continental public opinion has been one of great indignation and rejection, as seen in the Latin American Parliament and the Andean Parliament, the chief of state's reaction has not been on a par with the urgency of events.

"We have reached a point where the measures of SELA [Latin American Economic System] and ECLA [Economic Commission for Latin America], the Latin American Parliament and the Andean Parliament are literally exhausted." It is consequently essential, Pompeyo added, to undertake actions on a higher political level. One might say that such measures should be on the level of the president and the Latin American parliaments, the latter in a direct form and at the highest levels.

"Venezuela has remained passive and silent in the face of such events. It has reached unprecedented levels of fear and conservatism. Nothing else can explain why continental-scale moves have not been made. In this sense, President Alfonsín of Argentina has acted with special diligence and promoted a joint declaration by Brazil, Colombia, Mexico and Argentina. Venezuela has not signed the document.."

The senator from the MAS [Social Affirmation Movement] emphasized that both the president of the AD [Democratic Action] and former President Pérez backed the joint declaration and resoundingly stated that Venezuela should not have remained in the background. Former President Pérez added that there was no explanation for such an attitude on the part of Venezuela and said that he was confident that our country might support the declaration in order to speak with more firmness and dignity with the United States and Europe.

"We cannot continue to be missing from continental-type measures," Pompeo Marquez repeated. "Independently of the individual features of the Venezuelan economy, there is a common framework of negotiation that we cannot fail to support. Political moves are on the agenda, as we have requested both publicly and in the National Congress. Moreover, the country is not up to date on what is being with respect to renegotiating the debt. Congress must demand detailed information on this subject.

"Everything being done by our creditors is too sudden," Pompeo said, summing up the situation as follows: The country was in debt. That lack of responsibility implicates the lenders themselves. In addition to this fact, there is the growing deterioration of the terms of trade. The new aspect is that the United States wants to combine its high fiscal deficit and its balance of payments deficit by raising interest rates. Through a simple mathematical operation, one can explain and understand what increasing interest rates in the United States means: Latin America owes over \$350 million and with an increase of 1.5 points in bank interest, the debt goes up by over \$5 billion without Latin American countries receiving a cent more.

11,464
CSO: 3348/441

MORALES BELLO COMMENTS ON AD SECRETARY GENERAL POSITION

Caracas EL NACIONAL in Spanish 22 May 84 p D-8

[Article by Ruben Ferrer Rosas]

[Text] Maturin-21 May--Dr David Morales Bello presented himself here as a leader vocationally ready to remain in the work of construction and noted that the reactions of those who see and judge him and record his activities "are very positive."

"These characteristics mean that they mentally try to situate me in positions that the people believe proper for that particular leader."

"Does this presume a tacit aspiration on your part to be a presidential candidate or secretary general of your party?"

"In my case, you have the circumstance that I did seek the presidential nomination in 1973, which helped me step up my party work. Consequently, my work in general campaigning helped at the same time to bring me closer to the Democratic Action organization. Today, there is not a single corner of the national territory where I have not been or not carried out some activity or where direct contact was not made, thus remaining there in a latent form."

"How then do you explain all this?"

"My name has gradually become known as that of a leader who could perfectly well occupy the post of secretary general of Democratic Action or any other position."

He continued: "The spasms are not exactly the edifying impulses needed to remain firmly in control of the positions assumed. I have always acted and shall continue to act with great firmness, but also with great discretion. I do not want to take positions that would cause me to contradict what I preach."

"And what do you preach in the Democratic Action?"

"I preach the need for the AD to avoid circumstances that might signify a lack of thrust and a surrender to conspiratorial inertia, the need for us to

build a party to which the young people of the country will come, not only in times of election, but permanently."

"Is David Morales Bello seeking the presidential candidacy?"

"All this means that when there is talk of assigning honorable positions in the party, I go into motion, my name is in the air and they try to put me in some of the positions that people see as a place where I can continue my contribution to the country."

"Do you want those positions or not?"

"I have never resisted and shall not resist because it would be absurd for me to involve myself in work such as that I am now doing and then, when it comes time to assume higher responsibilities, refuse them. I believe that I fulfill all the requirements, that while I may not satisfy everyone, I can satisfy a few, no matter how demanding they may be."

David Morales Bello feels he is at the peak of his capabilities, "both physically and mentally." Nothing would cause him to think that he should go sit in a corner and take a safe attitude while time passes, along with individuals and the circumstances, "defending a position that is safe but that does not endeavor to reach the top of the party, where far superior performance is demanded."

"Whether David Morales Bello directly aspires to the presidential candidacy for the 1988 elections is something yet to be determined, but without a doubt, there is a feeling of appreciation for what I do, for I do not remain silent on any analysis concerning the political future of Venezuela or the Democratic Action Party. There is a sense that I am someone to be respected and that I must be worthy of that respect through proper conduct. I shall therefore be very restrained and only express myself when, based on my own analysis, I am convinced of what step I should take, what step should be taken in order not to throw my own political organization off balance."

Country and the Government

In analyzing the 100 days of government under Jaime Lusinchi, Morales Bello said that they have demonstrated "that it was possible to redeem the authority lost in Venezuela because of the Sancho Panchism that governed the country during the previous period. Authority has been regained, along with the formal exercise of power. The seriousness of authority has been redeemed."

Municipal Elections

Morales Bello agreed with other outstanding politicians with respect to the significance of municipal elections on Sunday, but he noted that "they have not moved convincingly from words into action."

"Without a doubt, the lack of vigor characterizing this municipal campaign was due to the lack of militant incorporation of all political leaders for

the purpose of stimulating work in the states, districts and municipalities aimed at producing a mobilization capable of lifting morale and making this expression of the people's sovereignty a true expression of what we understand by the term 'municipality'."

Morales Bello believes that there must be an institutional regulation of the parties because, in his view, work has been done only at the top levels.

"I believe that one of the things in most urgent need of reform in Venezuela is the conduct of those who are at the top levels of national political leadership because the neglect and lack of incorporation insofar as anything concerning the country's organic structure goes cause the imbalances seen in the country.

"The municipal elections must lead to a reform of the existing election system through a call to political leaders who, out of convenience or indifference or lack of sensitivity, have not come out en masse in all the areas of municipal institutionality," he concluded.

11,464

CSO: 3348/441

CALDERA DISCUSSES FUTURE PLANS, ADMINISTRATION'S PERFORMANCE

Caracas EL NACIONAL in Spanish 22 May 84 p D-18

[Report on interview with former President Rafael Caldera, by Ruben Ferrer Rosas; date and place not given]

[Text] Maturin, 21 May--Former President Rafael Caldera concluded his political and election tour of Monagas in the midst of acclaim by his party COPEI [Social Christian Party] and activities "aimed at keeping political commitments, although I did not want to get directly involved in the current controversy."

In an exclusive interview with EL NACIONAL, Caldera attributed special importance to the municipal elections, made harsh criticisms of the present administration and defined his political present and future while noting that "those who predicted my isolation from the political struggle and those who placed emphasis on a future division in COPEI were wrong."

While stating that the municipal elections were of far-reaching importance "because the salvation of municipal institutions in Venezuela has been a concern of the highest values of our thought and our politics and has been very difficult," he said at the same time that the Organic Law on Suffrage was a step that it was necessary to go beyond and that Constitutional Amendment No 2 opens a way for municipal elections to relate more directly to communities with their representatives.

Fundamental Unit of Democracy

Caldera made an analysis of the municipality and emphasized that he considered it a "fundamental unit of democracy.

"That is why the people's presence at the polls when they are called upon to vote is basic because without their presence, the adversaries, the enemies of the municipality, can maintain that it is a mere fiction," he said.

Caldera was here to swear in his party's election officials. He contacted candidates for council seats, met with regional COPEI leaders and independents who gave a luncheon and dinner for him.

Concern and Anguish

When we asked him his opinion about the current national situation and the new government, Caldera said that he, like most of the rest of the country, could not hide his "concern and anguish over the current situation.

"The direction of national life, the recovery of the economy, the effective development of employment and the solution to economic problems seem to be even more remote rather than imminent."

He said that the people voted on 4 December with the hope that a new government could rapidly solve the problem of the renegotiation of the foreign debt, bring about economic recovery and check the rising cost of living, as well as increase the number of jobs in a clear and decisive fashion, "but all these concerns seem to be moving in the opposite direction." At the same time, he said that he thought that "both the people who voted for the current president of the republic and those voting for the other candidates were motivated by the same desires.

"Now, many of our hopes for clear solutions have been frustrated by the harsh realities of what has not been done," he said.

"Why are we moving in the opposite direction, Dr Caldera?" we asked.

"The Social Christian Party, COPEI, in fulfilling its duty as the democratic opposition, has made a series of proposals that I support. I did not want to become involved in the political controversy because I wanted to establish sufficient distance between my actions as a candidate, which ended on 4 December, and the normal activity of a political leader committed to his people, his country and his party and fight for specific objectives and principles."

For Caldera, the cost of living has gone up substantially and "the people are astonished to see that the position of repudiation which the Democratic Action Party had in the opposition when it spoke of the price of gasoline, was totally abandoned when that party came into the government. Not only is gasoline more expensive proportionately for luxury cars, as in the case of the previous government, but the gas used by the people has gone up even more.

"We anticipated a stabilization of the exchange scale for all reasonable rates of exchange and every day, the bolivar drops on the free market, which causes obvious distrust. We expected a drop in prices for basic goods but they have gone up considerably and an emergency miniplan has been announced to try to offer some jobs to activists of the ruling political group, while the phenomenon of unemployment grows instead of dropping."

Caldera says that the offer to restore personal safety seems a little offhand and somewhat naive, for crime cannot be fought simply by sending a few national guard vehicles out into the streets.

"What is certain is that crime has grown," he noted.

Caldera says that the government has a supreme objective that it must try to accomplish.

"What is that objective?"

"Basically, restoring confidence."

"And what is your opinion of the Venezuelan position on the IMF?"

"I believe that it has to be very clear and categorical. The International Monetary Fund is not made up of a bunch of white-collar thieves. Rather, it is an organization that looks at things from the monetary angle, without considering all the social and political consequences of the measures it proposes. In countries that have followed its instructions to the letter of the law, it has not even achieved the objective of stabilizing the monetary regime."

"Then what do you propose?"

"A very clear and firm attitude toward the IMF and the abusive and usurious attitude of creditors with their intolerable increase in unnecessary interest rates."

Caldera said that in recent months, he has visited four large Latin American countries and participated in important events in Brazil, Panama, Peru and Colombia.

"In all of them, I found the same concern, the same desire to strengthen our common position and have a stronger voice in a single language."

Trips Abroad

He said that his recent trips abroad were for the purpose of accepting invitations and participating in events of undeniable significance: in Brazil, for the opening session of the academic year at a major university where he developed the theme of democracy in the 1980's; in Peru, delivering the opening address for the Freedom Center; in Panama, the keynote speech at the Association of Business Executives, where he discussed the challenge of democracy; and Colombia, accepting an invitation from the president of Colombia for a meeting on data processing and sovereignty.

"Every trip had a special reason."

"And what are you doing at home?"

"I am working intensely, completing a course in contemporary political history for young people, finishing several books, updating "My Right To Work," collaborating with the Institute of Social Rights on plans for the World Labor Law Congress to be held in Caracas in 1985, getting another book ready."

"And in politics?"

"I am meeting with my people and giving my party encouragement and incentive at a difficult time."

Maroma Di Boca

When we asked him to comment on rumors of internal crises in COPEI, he used an old Italian saying: "Maroma Di Boca."

"It's a bunch of rubbish, idle gossip trying to magnify a perfectly normal thing in any large social and political organization. There are views that sometimes clash on the evaluation of the direction of the movement, but I am perfectly convinced that the vast majority of the people is of one mind and wants to move in a single direction. Furthermore, it is profoundly displeased when a comrade uses the communications media to express something that is not true of the party's internal situation."

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